# TeamWorks Financials Year End User Guide for Purchasing Users

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# Purchasing Year-End Procedures

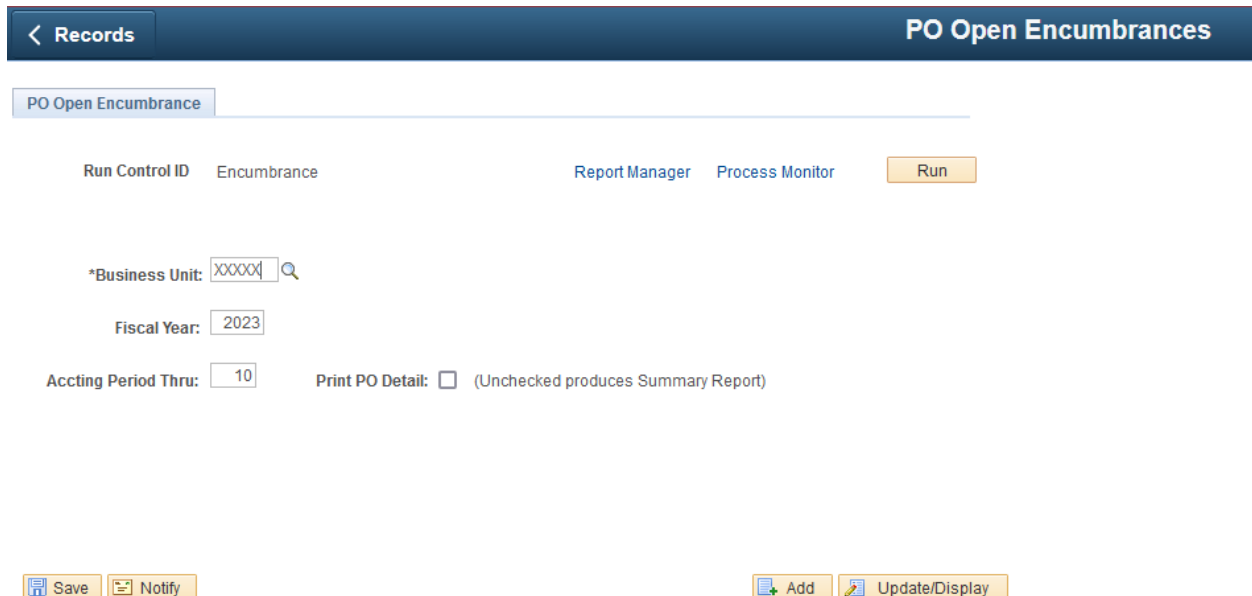## Identify And Review Open Encumbrances

For proper accounting and year end calculation of surplus, all open encumbrances should be reviewed and any funds that will not be needed should be liquidated. This is done by either cancelling or closing the Purchase Order associated with the encumbrance. The following steps detail how to review open encumbrances and then cancel or close the Purchase Order.

**Review Open Encumbrances:**

Users can review open encumbrances by using either the PO Summary Encumbrance Report (GLxxx0471) or by running queries. The report can be run to show encumbrance balances as of any fiscal year and accounting period requested.

The PO Summary Encumbrances Report (GLxxx0471) can be run by agency on demand. Any transactions with a budget period earlier than FY 2021 should be reviewed.

**Open Encumbrances Report Navigation**: Purchasing > Purchase Orders > Reports > PO Open Encumbrances.



Generally, do not check the "Report PO Detail" box unless you want the report to include detailed listings of the individual PO vouchers issues against each PO distribution.

**Open Encumbrances Query Navigation**: Reporting Tools > Query > Query Viewer > Query
Query Name:

1. 0PO013_OUTSTAND_ENCUMB_BY_BU
2. 0PO013KK_OUTSTAND_ENCUMB_BY_BU
3. 0PO13KK_CLOSED_ENCUMB_BY_BU – Displays PO's in a closed status with a remaining encumbrance.

**Please submit tickets for SAO assistance with PO's that are closed and remain encumbered.**



## Identify and Resolve Budget Errors

Purchase Orders in budget error typically cannot be canceled or closed. If the Purchase Order containing a budget error has previously passed budget checking, change the chartfields back to the original values that passed budget and budget check again. Users should always check with their budget team to determine correct chartfield values to use on purchasing transactions.

Users may need to use queries:

- **0PO025B_PO_ACCOUNTING_HISTORY** to determine the original chartfields.
- **0PO001_BCM_ERRORS** to identify purchase orders that are in budget error.

Purchase orders should be eligible for closure once the budget header status is in a valid status and all other close/cancel criteria is met.

## Identify Purchase Orders That Have Not Been Approved.

Users should use the 0PO028_UNAPPROVED_POS_BY_BU query to identify queries that are unapproved.

Note: Procedurally, all current year requisitions should be sourced to Purchase Orders or Contracts before the June close. The 0EPO_Reqs_to_be_Sourced query can be used to identify requisitions that have not been sourced.

## Two Open Accounting Periods

Pay close attention to the **accounting date** when cancelling or closing POs since there will be two accounting periods and two fiscal years open in July.

The accounting date field is located on the "Processing Results" page of the Buyer's Workbench just above the "Qualified" box.



The accounting date defaults to the CURRENT DATE, so

- If you want the PO to close/cancel in FY 2024, change the accounting date to 6/30/24.
- If you want the PO to close/cancel in FY 2025, the accounting date should be a July date.

If the incorrect accounting date is entered and the system has issued PO ID, please **DO NOT ATTEMPT TO CORRECT THE ACCOUNTING DATE.**

Please do the following:

- Cancel the PO with incorrect accounting date.
- Create a new PO and make sure the PO has the correct accounting date.

If the incorrect accounting date was entered, corrected and **budget checked** contact SAO immediately.  We will need to review the underlying KK data to determine corrective action.

To avoid possible encumbrance accounting issues during this Fiscal Year End cycle, it is important to not cross the fiscal year boundary when changing accounting dates on a PO.

# Processes

## Finalizing the PO

Finalizing the PO will liquidate and return to the budget any remaining encumbrance on the purchase order and/or purchase order lines. Once full payment has been received on the PO line then the line should be finalized. Finalizing will make any liquidated PO line eligible for closure.

- PO's are finalized by line, you can finalize one line without finalizing another.
- Each PO line that will no longer be vouchered should be finalized.
- Finalizing the PO may reduce encumbrance issues once the PO is closed.

### Steps To Finalize the Entire PO:
1. Access the Invoice Information page (Accounts Payable > Vouchers > Add/Update> Regular Entry) and create or modify a voucher.
2. Select the Finalize Document button in the header.

3. Save the voucher.

## Steps To Finalize individual lines on the PO:

1. Access the Invoice Information page (Accounts Payable > Vouchers > Add/Update> Regular Entry) and create or modify a voucher for the reduced amount.

2. Select the Finalize check box or button.
   - For all distribution lines (1), click the Invoice Lines Finalize Line button, which populates the Finalize check boxes.
   - For individual distribution lines (2), select the Finalize check box on the distribution line.



3. Save the voucher.

## Cancel or Close Purchase Orders

Cancel or Close Purchase Orders if encumbrance balances are not needed using the Buyer's Workbench.

Navigation: Purchasing > Reconcile PO's > GA > Reconciliation Workbench.

- Purchase orders should only be **canceled** if they have had no activity (receivers or vouchers) against them.
- Purchase Orders should be **closed** if they have activity against them. User enters the Business Unit and PO ID to be canceled or closed. The accounting date will default to the current date and must be in an open period.
- It is best practice to **close** individual po lines. This may help reduce encumbrance related issues on the purchase order.