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 disencumbered. 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: This can be done using either the PO Summary Encumbrance Report (GLxxx0471) or with the 0PO013/0PO013KK\_Outstand\_Encumb\_by\_BU queries. The report can be run to show encumbrance balances as of any fiscal year and accounting period requested. It is generated automatically during monthly close processing as of the period being closed and can be viewed in Document Direct. It can also be run manually at any time. The queries show open encumbrances as of the time the query is run.

Navigation for the PO Summary Encumbrance Report: Purchasing > Purchase Orders > Reports > PO Open Encumbrances. The Run Control should be completed as follows:



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.

## PO Year End Procedures - Disencumber Balances that will not be used

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| 1   | ~                        | 1   | ~    | 1  | ~0000108 | 474     | ~ORACLE USA INC  | ~851320    | ~10100       | ~407031       | ~01    |      | ~6180103 | ~312       |     |
| 1   | ~                        | 1   | ~    | 2  | ~0000108 | 474     | ~ORACLE USA INC  | ~852002    | ~10100       | ~407031       | ~01    |      | ~6180103 | ~312       |     |
| 1   | ~                        | 1   | ~    | 1  | ~0000014 | 759     | ~GEORGIA BUILDING AUT  | ~615001    | ~10100       | ~407011       | ~01    |      | ~6180101 | ~301       |     |
| 2   | ~                        | 1   | ~    | 1  | ~0000221 | 857     | ~BRONNER GROUP LLC   | ~651003    | ~10100       | ~407011       | ~01    |      | ~6180101 | ~312       |     |
| 1   | ~                        | 1   | ~    | 1  | ~0000198 | 613     | ~BEARING POINT INC   | ~851310    | ~10100       | ~407031       | ~01    |      | ~6180103 | ~312       |     |
| 1   | ~                        | 1   | ~    | 2  | ~0000198 | 613     | ~BEARING POINT INC   | ~851310    | ~10100       | ~407031       | ~9000  | 2    | ~6180103 | ~312       |     |
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| 2   | ~                        | 1   | ~    | 1  | ~0000108 | 474     | ~ORACLE USA INC  | ~627003    | ~10100       | ~407031       | ~01    |      | ~6180103 | ~301       |     |
| 1   | ~                        | 1   | ~    | 1  | ~0000004 | 585     | ~SHARP ELECTRONICS CO  | ~720001    | ~10100       | ~407011       | ~01    |      | ~6180101 | ~304       |     |
| 1   | ~                        | 1   | ~    |    |          |         | ~SHARP ELECTRONICS CO  |            | ~10100       | ~407011       | ~01    |      | ~6180101 |            |     |
| 1   | ~                        | 1   | ~    | 1  | ~0000138 | 654     | ~GEORGIA TECHNOLOGY A  | ~851310    | ~10100       | ~407031       | ~01    |      | ~6180103 |            |     |
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| 2   | ~                        | 1   | ~    |    |          |         | ~BRONNER GROUP LLC   | ~652001    | ~10100       | ~407031       | ~9000  | 2    | ~6180103 |            |     |
| 3   | ~                        | 1   | ~    | 1  | ~0000221 | 857     | ~BRONNER GROUP LLC   | ~651003    | ~10100       | ~407011       | ~9000  | 2    | ~6180101 | ~312       |     |
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Navigation to the 0PO013 queries: Reporting Tools > Query > Query Viewer > Query Name begins with: 0PO013

PO details for orders listed in the report or queries can be viewed online, Navigation: Purchasing > Purchase Orders > Add/Update PO's OR Purchasing > Review PO Information > Purchase Orders OR by using the 0PO074\_PO\_Print\_Display query.

 Cancel or Close Purchase Orders if encumbrance balance is not needed using the GA Reconciliation Workbench, Navigation: Purchasing > Reconcile PO's > GA Reconciliation Workbench.



Orders should be canceled if they have no activity (receivers or vouchers) against them or closed if they do have activity. System edits will force the correct action.

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. When two periods are open at year end, June dates should be used for current year PO's and July dates used for subsequent year transactions. System edits enforce the proper user of Accounting Date. User then clicks either the Cancel or Close button, as appropriate. System will error if wrong button is selected. Purchase Orders can also be canceled online (if eligible) by viewing the PO in Update mode and clicking on the Red "X" icon at the top of the page. Instructions are also available in the following UPK: 9.3.9 Close/Cancel a PO from GA Recon Workbench.

Note: Purchase Orders that have previously passed budget checking cannot be cancelled or closed if they have a BCM error (e.g., "No Budget Exists", "Exceeds Budget Tolerance", etc.). If the Purchase Order containing a BCM error has previously passed budget checking, change the chartfields back to the original values that passed and budget check again. Use the following query to determine the original chartfields: 0PO025B\_PO\_ACCOUNTING\_HISTORY (PO Accounting History). Cancel when the BCM status is "Valid".

Once this step is completed, the Purchase Order can be viewed online only in Inquiry mode: Purchasing > Review PO Information > Purchase Orders. In most cases, the transaction must go back through budget checking before the encumbrance is reversed. This will happen in the nightly batch flow. If the Purchase Order was associated with a requisition, the requisition will also close automatically when the Requisition Recon process is run in batch each Friday night (or during monthly close).

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.

If the Purchase Order is not to be sourced before the June close, the requisitions should be canceled. This is done by displaying the Requisition in Update mode (Navigation: Purchasing > Requisitions > Add/Update Requisitions). Click on the Red "X" to cancel the requisition.

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Pre-encumbrances are no longer created by requisitions so failure to cancel the requisitions will not impact year end financials, however, if these requisitions are sourced in the subsequent year and the budget date is not changed on the awarded Purchase Orders, the encumbrance will be charged against the prior year budget which could result in Audit Findings against the agency.