

Agenda

- What is an encumbrance?
- Reconciliation Requirements
- Sources of Information
- Reconciliation Template
- Purchase Orders
- Questions

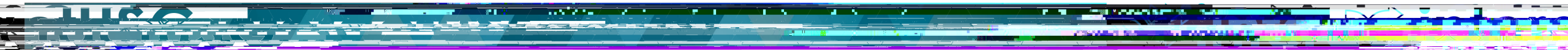
Background

- 15+ years within the USG
- Served within multiple roles (Accountant, Asst. Controller, Controller, Asst. VP)
- Supervised Purchasing, Bursar's Office, Accounting Office, Payroll Office, Budget Office, and Auxiliary Services
- Obtained Bachelor in Business Administration Shorter College
- Masters in Accounting Southern Polytechnic State University

What is an Encumbrance?

BPM 1.2.2 Budgetary Reporting

“Obligated” funds are commonly referred to as encumbrances meaning the institution has issued a purchase order for goods and services or has signed a contract. Although encumbrances are not expenses for GAAP purposes, they represent an expense of the institution for that particular budget year, and therefore represent an expense for the State of Georgia’s statutory basis of accounting/ Budgetary Compliance Reporting (BCR).

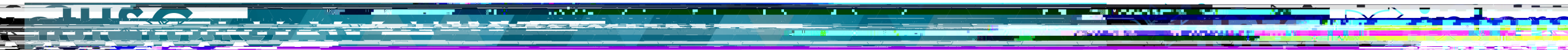


Requirements

BPM 1.9.3 Other Systems

A reconciliation should be performed between the various balances maintained in any other system and the cumulative balances maintained in the financial records. The reconciliation should be performed at least quarterly. Documentation confirming these reconciliations should be maintained in the institution's files for at least three (3) years and include all relevant supporting documentation, including prepared by, prepared date, reviewed by, and reviewed date.

Sources of Information



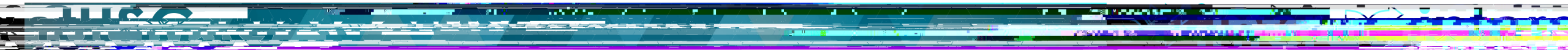
Payroll Encumbrances

- Detail held in the PeopleSoft HCM system
 - Payroll expense and encumbrance journals on ledger
 - PERS_SERV_BOR table (No longer contains encumbrance detail)
- Actual verification of the amounts is done using the queries within the HCM module.

Payroll Query: BOR_CA_ENCUMB_QRY

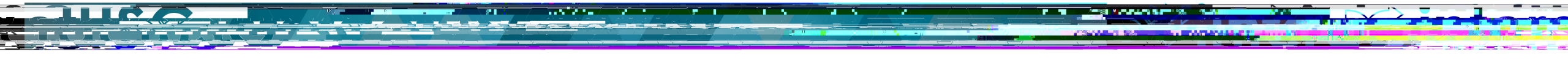
Journal_D	Acctg Date	Acct	Sum of Deb	Exp Amount	Sum of H
(blank)	10/26/18	48 235951	-	-	-
10/26/18 Total					
10/31/2018					
				3,000.02	3,000.02
		551200	-	179.93	179.93
		552100	-	20,117.92	20,117.92
		552200	-	142.22	142.22
		553111	-	(38,313.77)	(38,313.77)
		553123	-	6,705.07	6,705.07
		553128	-	20,642.96	20,642.96
		553201	-	33.40	33.40
10/31/20					
(blank) Total					
Grand Total					
			-	30,000.31	30,000.31

If the journal date is missing, then it probably has not been journal generated in financials. The accounting date will show what date range the process needs to be ran for.



Payroll Query: BOR_CA_BUD_ACTUALS_SUM_POS

ID	Name	Position	Dept ID	Co	Combo Code	Acct	Sum Actual AMT	Sum Posted not Encumbered Act	Sum Actual AMT	Sum Posted not Encumbered Act	Fund	Org	Class	Pos
0004922	Mouse, Mickey													
0004922	Mouse, Mickey	10048546	1110300	690	6911103									
0006209	Duck, Donald	10048624	1550200	690	69155020006A	522100	41,750.40	11,175.53	30,824.62	72,575.02	10600	15400	11000	69H
0006209	Duck, Donald	10048624	1550200	690	69155020006A	526150	-	800.00	-	-	10600	15400	11000	69H
0006209	Duck, Donald	10048624	1550200	690	69155020006A	531100	1,939.93	338.94	2,008.71	-	10600	15400	11000	69H
0006209	Duck, Donald	10048624	1550200	690	69155020006A	551200	77.45	130.72	469.93	928.30	10600	15400	11000	69H
0006209	Duck, Donald	10048624	1550200	690	69155020006A	552100	8,435.86	2,290.20	6,516.46	14,952.32	10600	15400	11000	69H
0006209	Duck, Donald	10048624	1550200	690	69155020006A	553128	16,452.43	4,861.20	11,685.95	24,738.38	10600	15400	11000	69H
0006209	Duck, Donald	10048624	1550200	690	69155020006A	553128	-	-	-	-	10600	15400	11000	69H
0006209	Duck, Donald	10048624	1550200	690	69155020006A	561425	-	100.00	-	-	10600	15400	11000	69H
0016552	Mouse, Minnie	10049069	1620300	690	69162030010A	525100	-	62,069.04	-	-	10000	16200	11000	69L
0016552	Mouse, Minnie	10049069	1620300	690	69162030010A	551200	-	50,000.00	-	-	10000	16200	11000	69L
0016552	Mouse, Minnie	10049069	1620300	690	69162030010A	551200	-	50,000.00	-	-	10000	16200	11000	69L
Total Encumbrances									51,667.93					



Manual Encumbrances

Queries:

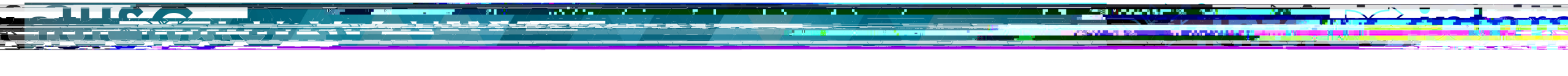
BOR_KK_MANUAL_ENCUMB (Manual Encumbrances)

690_DSC_ENCUMBRANCE_JOURNALS

Manual Encumbrances

690_DSC_ENCUMBRANCE_JOURNALS



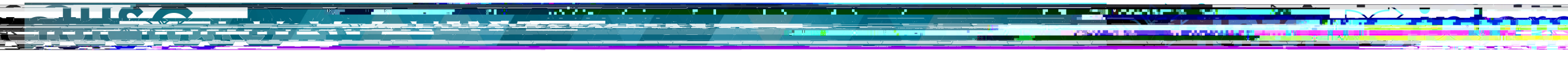


Encumbrance Reconciliation Template

DALTON STATE COLLEGE (BU: 69000)			
Account: 3810 Encumbrances			
Prepared By: Karen England			
Reviewed By:			
Reconciliation as of: 6/30/2019			
Detail Listings (Pulls from [un] tabs)		Reconciliation Summary	
Open		Should match B48 total	
Payroll Encumbrances	\$ (0.00)	Should match E48 total	Detail_EN Ledger 2,940,147.62
Manual Encs + YE 1&2	\$ -	Should match D48 total	
Utility Encumbrances	\$ -		2,940,147.62
Contract Encumbrances	\$ -		
Grand Total	\$ 2,940,147.62	(B11:B16)	Variance 0.00
Spreadsheet Summary	\$ 2,940,147.62	Total from F48	Encumb ledger Total 2,940,147.62
Difference	\$ (0.00)		
Encumbrance Reconciliation by Fund as of JUNE 30, 2019			

Encumbrance Reconciliation Template

Encumbrance Reconciliation by Fund as of JUNE 30, 2019										
Summary spreadsheet										
Fund	Open Purchase Orders	Manual Encs	Payroll Encumbrances	Grand Total of Debits	Encumbrance Ledger	Difference Between Supporting Documentation				
						Detail	Detail	Detail	Detail	Detail
10000	\$ 1,015,959.24	\$ -	\$ -	\$ 1,015,959.24	\$ 1,015,959.24					\$ (1,015,959.24)
10500	\$ 644,659.46	\$ -	\$ -	\$ 644,659.46	\$ 644,659.46					\$ (644,659.46)
10600	\$ 587,403.48	\$ -	\$ -	\$ 587,403.48	\$ 587,403.48					\$ (587,403.48)
12000	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
12210	\$ 8,802.50	\$ -	\$ -	\$ 8,802.50	\$ 8,802.50					\$ (8,802.50)
12220	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
12230	\$ 41,937.50	\$ -	\$ -	\$ 41,937.50	\$ 41,937.50					\$ (41,937.50)
12240	\$ 24.61	\$ -	\$ -	\$ 24.61	\$ 24.61					\$ (24.61)
12250	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
12260	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
12270	\$ 20.00	\$ -	\$ -	\$ 20.00	\$ 20.00					\$ (20.00)
12280	\$ 1,275.00	\$ -	\$ -	\$ 1,275.00	\$ 1,275.00					\$ (1,275.00)
13000	\$ 5,251.40	\$ -	\$ -	\$ 5,251.40	\$ 5,251.40					\$ (5,251.40)
14000	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
15000	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
16000	\$ 198,838.84	\$ -	\$ -	\$ 198,838.84	\$ 198,838.84					\$ (198,838.84)
20000	\$ 44,263.56	\$ -	\$ -	\$ 44,263.56	\$ 44,263.56					\$ (44,263.56)
50000	\$ 295,305.05	\$ -	\$ -	\$ 295,305.05	\$ 295,305.05					\$ (295,305.05)
60000	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
Grand Total	\$ 2,940,147.62	\$ -	\$ -	\$ 2,940,147.62	\$ 2,940,147.62					\$ (2,940,147.62)



The Process

Reconciliation Pieces

- Detail ledger: BOR_KK_ENC_BAL_AS_OF_PD

Note: This query pulls from DETAIL_EN by expense accounts

- Open PO Encumbrances Navigation: BOR Menu BOR Purchasing-
BOR PO Reports and run PO Open as of Accounting Period

- Manual Encumbrances Run journal query to pickup manual encumbrances (i.e. payroll and/or manual journals).

Note: Use KK_Amount_Type = 2 (End)

- Encumber ledger: BOR_TRIAL_BALANCE

Note: Change the ledger = ENCUMB

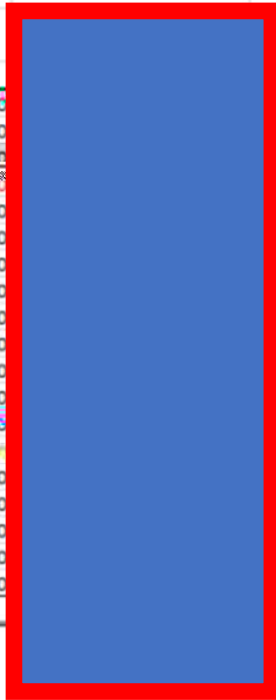
Important: The DETAIL_EN and ENCUMB ledgers should be in sync. To verify run integrity check: BOR_CHK_DTL_ENC , if results exist, try to rebuild ENCUMB ledger (refer to YE procedures).

Reconciliation Pieces

Encumbrance

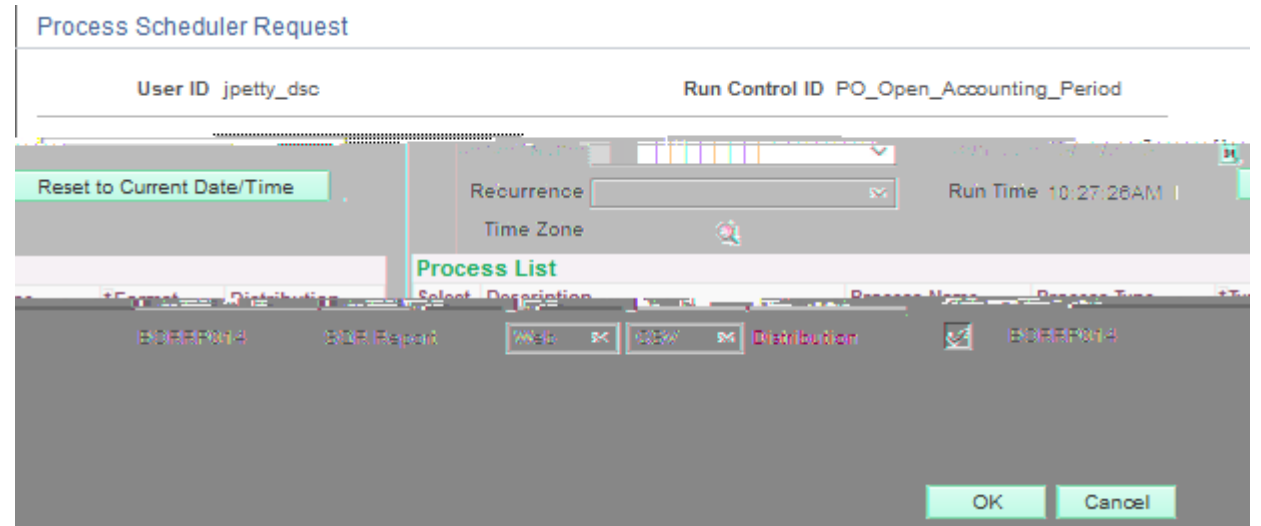
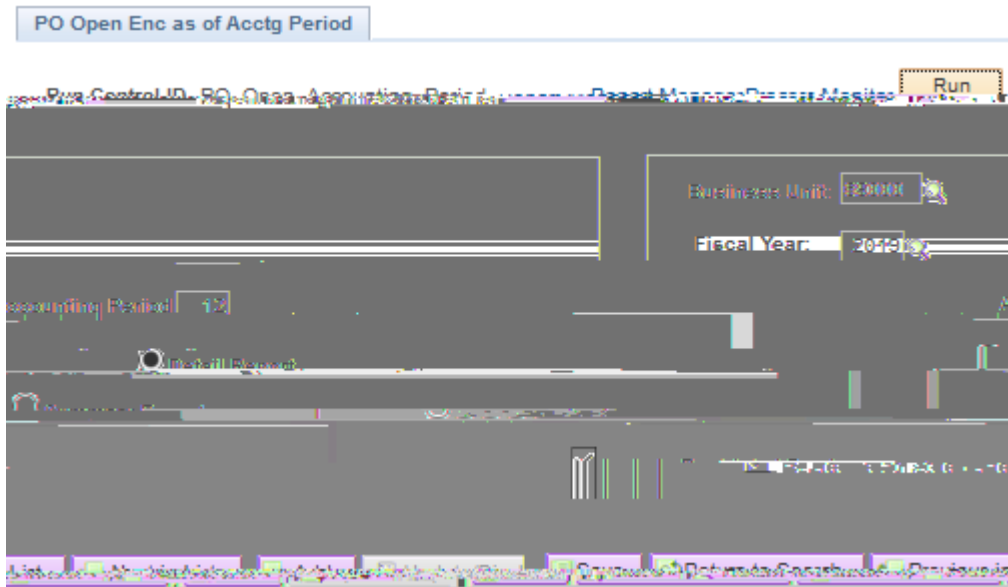
Summary spreadsheet

Fund	YE 18	Payroll	System Total	Diff	Balance Between Supporting
10000			2,013,339.24	2,013,339.24	(2,013,339.24)
10500	- \$	- \$	644,659.46	644,659.46	(644,659.46)
10600	- \$	- \$	587,403.48	587,403.48	(587,403.48)
12000	- \$	- \$	-	-	-
12210	- \$	- \$	8,802.50	8,802.50	(8,802.50)
12220	- \$	- \$	-	-	-
12230	- \$	- \$	41,937.50	41,937.50	(41,937.50)
12240	- \$	- \$	24.61	24.61	(24.61)
12250	- \$	- \$	-	-	-
12260	- \$	- \$	96,406.90	96,406.90	(96,406.90)
12270	- \$	- \$	20.00	20.00	(20.00)
12280	- \$	- \$	1,275.00	1,275.00	(1,275.00)
15000	- \$	- \$	3,235.25	3,235.25	(3,235.25)
15000	- \$	- \$	-	-	-
16000	- \$	- \$	198,838.84	198,838.84	(198,838.84)
20000	- \$	- \$	44,263.56	44,263.56	(44,263.56)
50000	- \$	- \$	-	-	-
60000	- \$	- \$	-	-	-
Grand Total	- \$	- \$	2,940,147.62	2,940,147.62	(2,940,147.62)



Reconciliation Pieces

- Open PO Encumbrances Navigation: BOR Menu > BOR Purchasing > BOR PO Reports and run PO Open as of Accounting Period



Reconciliation Pieces

Vendor ID	Vendor Name	POID-LnNbr	PO Status	Account	Fund	Dept	Program	Class	Project	Budget	2018	2019	Vouchered	Reconciled
403299	Croft & Associates P	0000511757-3	D	751101	50000	1762010	17620	16500	18316	2018	12,000.00	3,200.00	3,200.00	
403299	Croft & Associates P	0000511757-3	D	751101	50000	1762010	17620	16500	18316	2018	12,000.00	3,200.00	3,200.00	
403299	Croft & Associates P	0000511757-4	D	751101	50000	1762010	17620	16500	18316	2018	8,400.00		3,199.86	
403303	David Michael Cook	0000511780-1	D	751103	10500	1620300	16200	11000		2018	20,000.00	-16,599.86	3,840.14	
402954	Nichols Cauley & Ass	0000512158-1	D	751103	10500	1620100	16200	11000		2018	36,400.00	-15,170.00		
403299	Croft & Associates P	0000512173-1	D	751101	50000	9920100	17200	11000		2018	15,150.00	-13,650.00	1,420.00	
402682	Astra Construction S	0000512191-1	D	715100	10500	9920100	17200	11000	18316	2018	10,550.00			
403486	Apex Portable Buildi	0000512208-1	C	743200	10500	9920100	17200	11000		2018	10,550.00			
402780	Northwest Georgia Tr	0000512240-3	D	719100	15500	1550400	15600	11000		2019		250	100	
402780	Northwest Georgia Tr	0000512240-5	D	719100	15500	1550400	15600	11000		2019		750		
12127	ETC	0000512339-1	C	771800	10500	1110750	11100	11000		2019	528		-485.54	
12127	ETC	0000512339-2	C	771800	10500	1110750	11100	11000		2019	528		-485.54	
15048	Waste Services	0000512386-1	D	717000	10500	9940100	17400	11000		2019	24,700.00		-19,827.46	
CAT0000017	Southern Computer Wa	0000512448-1	D	714114	10500	1550300	15500	11000		2019	237.78		0	237.78
CAT0000017	Southern Computer Wa	0000512484-1	D	714114	16000	1460500	14400	11000		2019	448.38		0	448.38
402274	Notifii L	0000512526-1	C	733900	10500	1630200	16300	11000		2019	1,188.00			

Reconciliation Pieces

Reconciliation Pieces

Detail ledger: BOR_KK_ENC_BAL_AS_OF_PD

Note: This query pulls from DETAIL_EN by expense accounts

Encumbrance									
Summary spreadsheet									
Fund	Open Purchase Orders	YE 1 & 2	Payroll	Grand Total	Balance Between Supporting	Plan/Vestition			
10000	\$ 4,023,333.47	\$ -	\$ -	\$ 4,023,333.47					
10500	\$ 644,659.46	\$ -	\$ -	\$ 644,659.46					
10600	\$ 587,403.48	\$ -	\$ -	\$ 587,403.48					
12000	\$ -	\$ -	\$ -	\$ -					
12210	\$ 8,802.50	\$ -	\$ -	\$ 8,802.50					
12220	\$ -	\$ -	\$ -	\$ -					
12230	\$ 41,937.50	\$ -	\$ -	\$ 41,937.50					
12240	\$ 24.61	\$ -	\$ -	\$ 24.61					
12250	\$ -	\$ -	\$ -	\$ -					
12260	\$ 96,406.98	\$ -	\$ -	\$ 96,406.98					
12270	\$ 20.00	\$ -	\$ -	\$ 20.00					
12280	\$ 1,275.00	\$ -	\$ -	\$ 1,275.00					
12290	\$ 1,275.45	\$ -	\$ -	\$ 1,275.45					
15000	\$ -	\$ -	\$ -	\$ -					
15000	\$ -	\$ -	\$ -	\$ -					
16000	\$ 198,838.84	\$ -	\$ -	\$ 198,838.84					
20000	\$ 44,263.56	\$ -	\$ -	\$ 44,263.56					
50000	\$ 295,305.05	\$ -	\$ -	\$ 295,305.05					
60000	\$ -	\$ -	\$ -	\$ -					
Grand Total	\$ 2,940,147.62	\$ -	\$ -	\$ 2,940,147.62					

Reconciliation Pieces

Encumbrance Ledger: BOR_TRIAL_BALANCE

Note: Change the ledger = ENCUMB

Encumbrance

Summary spreadsheet

Fund	Open Purchase Orders	YE 1 & 2	Payroll	Grand Total	Balance	Difference Between Support
10000	2,015,333.24	-	-	2,015,333.24	2,015,333.24	-
10500	644,659.46	-	-	644,659.46	644,659.46	-
10600	587,403.48	-	-	587,403.48	587,403.48	-
12000	-	-	-	-	-	-
12210	8,802.50	-	-	8,802.50	8,802.50	-
12220	-	-	-	-	-	-
12230	41,937.50	-	-	41,937.50	41,937.50	-
12240	24.61	-	-	24.61	24.61	-
12250	-	-	-	-	-	-
12260	96,406.98	-	-	96,406.98	96,406.98	-
12270	20.00	-	-	20.00	20.00	-
12280	1,275.00	-	-	1,275.00	1,275.00	-
12290	2,225.46	-	-	2,225.46	2,225.46	-
15000	-	-	-	-	-	-
15000	-	-	-	-	-	-
16000	198,838.84	-	-	198,838.84	198,838.84	-
20000	44,263.56	-	-	44,263.56	44,263.56	-
50000	295,305.05	-	-	295,305.05	295,305.05	-
60000	-	-	-	-	-	-
Grand Total	2,940,147.62	-	-	2,940,147.62	2,940,147.62	-

DETAIL_EN vs ENCUMB Ledger



Purchase Orders

- Requirements
 - Authorized Signature
 - Payment and Delivery Terms
 - Appropriate commodity codes (NGIP codes, etc..)
 - PO lines must clearly identify what is being purchased
- Normal expectation— PO completed within 6 months, 12 months on a maximum
- Amounts over \$2,499.99 are required to be on a purchase order(unless it's one of the items specifically exempted)

Purchase Orders

Business Process Policy and Requirements.

Requirements - Except as noted below and when a final payment method is not a purchasing card (per OGA 100-10-10), a purchase order is required for all obligations to purchase goods and services exceeding \$2,500.

- Attorney's legal fees payments, as such products, Law via OCGA §45-15-34
- Benefit payments
- Intergovernmental agreements (e.g. CFA, Risk Management, etc.)
- Membership dues and/or registration
- Payroll and associated tax and benefit payments
- Postage and shipping
- Real estate rental/lease payments
- Registration fees
- Sales and Use tax payments
- Travel expense reimbursement
- Utilities (e.g. electricity, telephone landline, cell phone charges)
- WEX and ARI

Why is it Important?

-

Questions?

