

Purchase Order General (Encumbrance)

Settings > Purchase Order > General Options

Implementing the Use of Encumbrance

- **Use Encumbrance** (optional setting). If the box is checked, the encumbrance column on the G/L account file will be updated when a PO is posted. When this box is checked for the first time, contact SGA to run a one-time script to update the encumbered amount for any accounts with existing/open POs.
 - **Financial Statements:** The encumbered column indicates the total amount of open POs for this G/L account number.
 - **Detail Report Writer > Open Ledger by Account Number:** the listing of open POs for each G/L account# should equal the encumbered amount.
 - **Calculation of budget remaining if using encumbrance:**
 - *Settings > Accounts Payable > Entry Options.* **Show annual budget remaining for budget type** is the setting for the system to calculate the remaining budget based on either the original budget or forecast.
 - If high-level Options are set to use encumbrance, the encumbered amount will be considered when the system calculates the remaining budget/forecast for a G/L account number entered. The annual budget (or forecast) minus year-to-date actuals minus the encumbered amount minus the screen entry amount equals the remaining budget (or forecast).
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