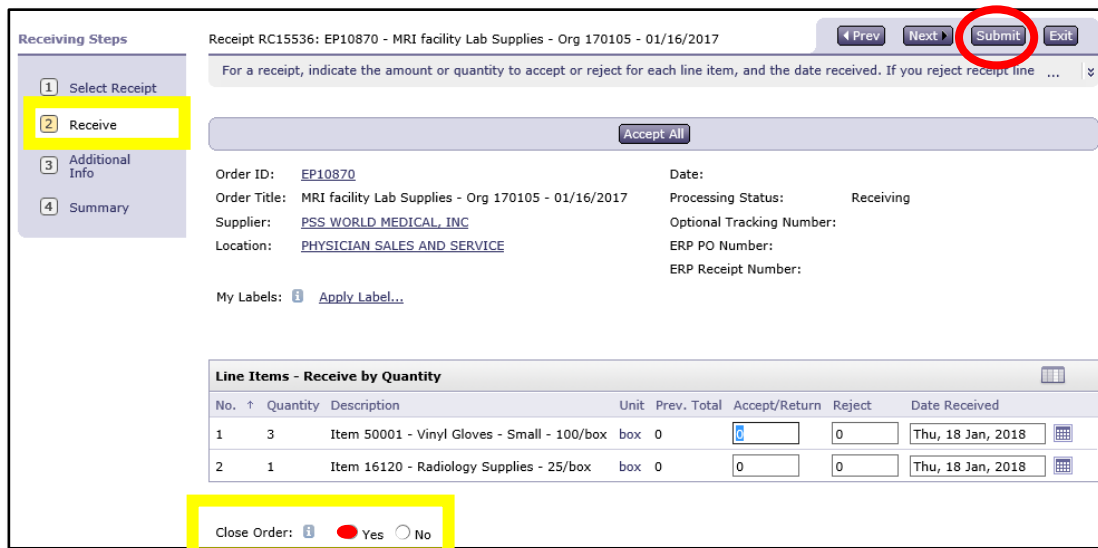


How to Close an Encumbrance

An encumbrance is a claim on budget funds. When an eVA purchase order is approved, an encumbrance is posted to the unit budget in Banner Finance to commit the funds for future payment. The vendor receives the purchase order, ships goods/performs services and then submits an invoice to Accounts Payable. When Accounts Payable receives the invoice(s), a payment is issued to the vendor and posted to the unit budget as an expense. If the invoice and purchase order are for the same dollar amount, the encumbrance is liquidated to \$0. If the amount of the invoice(s) paid is less than the related eVA purchase order, an encumbrance for the difference sometimes remains reserved on the unit budget. These amounts will be rolled forward to subsequent fiscal periods until manually deleted.

Avoid Trailing Encumbrance Issues

1. For orders of \$5,000 or more that are not electronically received in eVA, the unit should write “final payment” on the final vendor invoice related to the eVA order that is being paid.
2. For orders that are received electronically in eVA (non P-Card orders of \$5,000 or less), the unit purchaser should select “Yes” under “Close Order:”



Receiving Steps: Receipt RC15536: EP10870 - MRI facility Lab Supplies - Org 170105 - 01/16/2017

For a receipt, indicate the amount or quantity to accept or reject for each line item, and the date received. If you reject receipt line ...

Order ID: EP10870 Date: MRI facility Lab Supplies - Org 170105 - 01/16/2017 Processing Status: Receiving

Supplier: PSS WORLD MEDICAL, INC Optional Tracking Number: PHYSICIAN SALES AND SERVICE ERP PO Number: ERP Receipt Number:

My Labels: Apply Label...

Line Items - Receive by Quantity							
No.	Quantity	Description	Unit	Prev. Total	Accept/Return	Reject	Date Received
1	3	Item 50001 - Vinyl Gloves - Small - 100/box	box	0	0	0	Thu, 18 Jan, 2018
2	1	Item 16120 - Radiology Supplies - 25/box	box	0	0	0	Thu, 18 Jan, 2018

Close Order: Yes No

MicroStrategy - PO Encumbrance Status Report

1. Login to MicroStrategy: reporting.gmu.edu.
2. Select “Administrative,” --- “Share Reports,” --- “Procurement Pipeline,” --- “PO,” --- “PO Listing.”
3. Select “PO Encumbrance Status Report” then **enter a fiscal year(s)** and the **fund/orgs** you would like to search (**all other fields may be blank**).
4. Select *Run Report* on the bottom left to generate the report.
5. Review the report and research trailing encumbrances.

Close a Trailing Encumbrance

1. To remove a trailing encumbrance send an email to enclose@gmu.edu with the following information:
 - a. eVA purchase order number(s)
 - b. Remaining balance on purchase order
 - c. Name of the Vendor

For assistance with deleting encumbrances, contact the Purchasing Office at 3-2580 or email enclose@gmu.edu. Additional instruction on receiving eVA purchases orders is available at, <https://dgs.virginia.gov/globalassets/business-units/dps/documents/email/email-receiving-guide.pdf>.