Human Resources/Finance Information Systems

General Encumbrance Processing

Procedure Manual

South Dakota SCT/Banner System Procedures

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The **General Encumbrance/Reservation Maintenance** Form [**FGAENCB**] allows you to establish and adjust budget reservation type encumbrances. **Encumbrances** are automatically generated within the Purchasing and Procurement module. Sometimes, however, it is necessary to create an encumbrance that is unrelated to a purchase order.

Establish a General Encumbrance

Responsibility: Universities, Special Schools, SD Board of Regents
Timeframe: as needed

1. Access the Encumbrance Maintenance form (**FGAENCB)** in the Go To Field on the general menu.
2. Leave the **Document** field blank for the next available number
3. Click on the **Next Block** icon to proceed to the **Encumbrance Header** block.
4. Enter a description in the **Encumbrance Title** Field.
5. Enter the total of the Encumbrance in the **Document Total** field.
6. Enter the date the encumbrance will take effect in the **Transaction Date** field.
7. Visually verify that the **Open Status** box is checked for all open encumbrances.
8. Click the radio button for the appropriate type of encumbrance value:
   a. **Encumbrance** for standard general encumbrances
   b. **Labor** for encumbrance related to payroll
   c. **Memo** for a memorandum posting
9. If possible, identify the **Vendor ID** for whom you are encumbering or reserving the funds in the **Vendor ID** field.
10. Skip the **Encumbrance Change**, **Title** and **Date Established** fields; these are used for adjustments/changes.
11. The **Document Reference Number** field is optional and may be used to establish additional identification for reporting purposes.
12. The **Document Text Exists** indicates that additional text has been added to this document using **Option** Menu.
13. Click on the **NEXT BLOCK** icon from the toolbar at the top of the screen to proceed to the next screen.
14. Tab through the **Sequence** field and the system will automatically assign a number.
15. Enter or use the drop down menu to select a **Journal Type** use E010 for Original Encumbrance
16. The project code is used only when an encumbrance is related to a **Project.** Leave this field blank.
17. The **Fiscal Year** field will auto populate with the current fiscal year after leaving this block.
18. The **Current Encumbrance** field auto populates and is used to identify the current amount of the encumbrance when multiple lines of FOAPAL are used.
19. The **COA** (Chart of Accounts) is "**S**" for all Board of Regents schools.

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20. If an **Index** code has been established enter an **Index Code**. This will auto-populate portions of the 'FOAPAL' fields, reduce data entry and minimize errors. Leave this field blank.
21. Enter the smart coded **Fund** and **Organization** in the next fields if you aren't using an **Index Code**.

22. Enter valid codes into the **Account** and **Program** fields. **Activity** and **Location** are not required fields.
23. The **Percent** field is an optional field where you can enter a percent to be charged to the accounting distribution.
24. Click the **NSF Override** check box to override the **Budget Checking** processing if you have security to override NSF checking.
25. The **Commit** field is where you will indicate if the funds are committed with a "C" or uncommitted with a "U". This determines how an encumbrance that is open at year-end will be rolled and allows the user to distinguish it from a current year encumbrance.
26. The **Amount** field will auto-populate based on what is entered into the **Percent** field. However, you may override the amount.
27. Click on the **NEXT RECORD** icon at the top of the screen to enter additional accounting distributions for this encumbrance.
28. The total of all sequences must equal the **Document** total entered on the **Header** page.
29. Click on the **NEXT BLOCK** icon at the top of the screen.
30. Click the **COMPLETE** check box to process the Encumbrance Transaction or click the **IN PROCESS** checkbox to save the Encumbrance information for future processing.

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Adjusting a General Encumbrance

Responsibility: Universities, Special Schools, SD Board of Regents
Timeframe: as needed

When it is necessary adjust a previously entered General Encumbrance follow similar steps as with establishing the original encumbrance.

1. Access the Encumbrance Maintenance form (**FGAENCB**).
2. Type in the **Document Number** of the Original General Encumbrance.
3. Click on the **Next Block** icon to proceed to the **Encumbrance Header** block.
4. Enter the total of the Encumbrance in the **Document Total** field. Enter the amount of the change, negative or positive.
5. The Transaction Date, Open Status box, Encumbrance Type and Vendor ID will default from the original encumbrance. Tab down past the Vendor ID field.
6. Enter an **Encumbrance Change** and **Title** in the related fields since you are entering a change to the original encumbrance.
   a. The **Encumbrance Change** field is a user defined number that identifies and provides and audit trail of any changes to the original document. This number is actually used as a document code to post the encumbrance to the ledgers.
   b. The **Title** is a longer field for a user defined title for the change.
7. The **Date** the Original Encumbrance was established will auto-populate.
8. The **Document Reference Number** field is optional and may be used to establish additional identification for reporting purposes.
9. The **Document Text Exists** indicates that additional text has been added to this document using **Option** Menu.
10. Click on the **NEXT BLOCK** icon from the toolbar at the top of the screen to proceed to the next screen.
11. Tab through the **Sequence** field and the system will automatically assign a number.
12. Enter or use the drop down menu to select a **Journal Type**. Enter E020 for Encumbrance Adjustments.
13. The project code is used only when an encumbrance is related to a **Project.** Leave this field blank.
14. The **Fiscal Year** field will auto populate with the current fiscal year.
15. The **Current Encumbrance** field auto populates and is used to identify the current amount of the encumbrance.
16. The **COA** (Chart of Accounts) is "**S**" for all Board of Regents schools.
17. The **FOAPAL** will auto-populate from the original encumbrance, can be changed.
18. If an **Index** code has been established enter an **Index Code**. This will auto-populate portions of the 'FOAPAL' fields, reduce data entry and minimize errors.
19. Enter the smart coded **Fund** and **Organization** in the next fields if you aren't using an **Index Code**.
20. Enter valid codes into the **Account** and **Program** fields. **Activity** and **Location** are not required fields.

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21. The **Percent** field is an optional field where you can enter a percent to be charged to the accounting distribution. Leave this field blank.
22. Click the **NSF Override** check box to override the **Budget Checking** processing if you have security to override NSF checking.
23. The **Commit** field is where you will indicate if the funds are committed with a "C" or uncommitted with a "U". This determines how an encumbrance that is open at year-end will be rolled and allows the user to distinguish it from a current year encumbrance.
24. The **Amount** field will auto-populate based on what is entered into the **Percent** field. However, you may override the amount. Enter a negative amount to decrease an encumbrance.
25. Click on the **NEXT RECORD** icon at the top of the screen to enter additional accounting distributions for this encumbrance.
26. The total of all sequences must equal the **Document** total entered on the **Header** page.
27. Click on the **NEXT BLOCK** icon at the top of the screen.
28. Click the **COMPLETE** check box to process the Encumbrance Transaction or click the **IN PROCESS** checkbox to save the Encumbrance information for future processing.

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Liquidating a General Encumbrance

Responsibility: Universities, Special Schools, SD Board of Regents
Timeframe: as needed

Encumbrances may be liquidated using two methods, the General Encumbrance form or by during the invoicing process. If an Original or Adjusted General Encumbrance needs to be liquidated because there is a remaining balance and invoicing is complete or the encumbrance will not be invoiced use the following procedure to liquidate the encumbrance.

1. Access the Encumbrance Maintenance form enter **FGAENCB** in the Go To Field
2. Type in the **Document Number** of the Original General Encumbrance.
3. Click on the **Next Block** icon to proceed to the **Encumbrance Header** block.
4. The header will auto-populate with the data for the original and or adjusted general encumbrance. Tab to the Encumbrance Change field.
5. The **Encumbrance Change** and **Title** fields are used if you are entering a change to the original encumbrance.
   a. The **Encumbrance Change** field is a user defined number that identifies and provides and audit trail of any changes to the original document. This number is actually used as a document code to post the encumbrance to the ledgers.
   b. The **Title** is a longer field for a user defined title for the change. Here you can note 'liquidation'.
6. Enter the **Date** the Original Encumbrance was established, this is auto-populated with the current date.
7. The **Document Reference Number** field is optional and may be used to establish additional identification for reporting purposes.
8. The **Document Text Exists** indicates that additional text has been added to this document using **Option** Menu.
9. Click on the **NEXT BLOCK** icon from the toolbar at the top of the screen to proceed to the next screen.
10. Tab through the **Sequence** field and the system will automatically assign a number.
11. Enter or use the drop down menu to select a **Journal Type**. Enter E032 to liquidate the encumbrance.
12. The project code is used only when an encumbrance is related to a **Project.** Leave this field blank.
13. The **Fiscal Year** field will auto populate with the current fiscal year.
14. The **Current Encumbrance** field auto populates and is used to identify the current amount of the encumbrance.
15. The **COA** (Chart of Accounts) is "**S**" for all Board of Regents schools.
    a. The data from the original encumbrance will auto-fill the FOAPAL.
16. Enter zero in the **Amount** field for a complete liquidation.
17. Click on **NEXT RECORD** at the top of the screen to liquidate additional lines of accounting distribution for this encumbrance.

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18. The total of all sequences must equal the **Document** total entered on the **Header** page, in the case of a total liquidation the amounts should be zero.
19. Click on the **NEXT BLOCK** icon at the top of the screen.
20. Click the **COMPLETE** check box to process the Encumbrance Transaction or click the **IN PROCESS** checkbox to save the Encumbrance information for future processing.

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General Encumbrance Invoices

Responsibility: Universities, Special Schools, SD Board of Regents
Timeframe: as needed

General Encumbrance Invoices liquidate, wholly or partially a General Encumbrance document.

1. Enter **FAAINVE** in the GO TO field on the general menu to access the **Invoice / Credit Memo** form.
2. Allow the system to generate an invoice number by TABBING through the **Document field**.
3. Pass over the **Multiple** check box – this is used when entering multiple vendor invoices. See the Multiple Invoice section of the manual.
4. Enter the letter "**G**" in the next field or select from the drop-down menu for **General Encumbrance.**
5. Enter the Encumbrance document number of the general encumbrance that needs to be paid. You may use the drop-down menu to select an encumbrance. You can use the **Open Encumbrance Report** [**FGROPNE**] to find an open encumbrance.
6. Enter a valid code in the **Vendor field** if a vendor codes does not auto-fill from the original encumbrance document.
7. Click on the **Next Block icon** from the toolbar at the top of the screen to proceed to the **Invoice Credit Memo Header** window.
8. Add a **Check Vendor ID** if the check is to be written to someone other than the invoice vendor, such as with bankruptcy reorganizations or assignments.
9. The system will default to the letters '**RT**' for the 'Remit To' address for the **Address Code**, but this can be overridden. If the **Remit To** address is not correct, click on the pull-down menu and use the scroll bar to find the correct **RT** address. There may be several address types in the list, be sure to select an **RT Address Type.**
10. Tab through the **Sequence Number** and **Discount Code** fields. The sequence number is system assigned during the address setup, an AP Shared Services function. The Discount Code will default from the vendor maintenance, as AP Shared Services function.
11. **Payment Due** is a required field and will default if payment terms (such as Net 30 days) are assigned in the vendor maintenance by Accounts Payable Shared Services. If not, enter date the invoice is to be paid. This is the date Shared Services will use when selecting invoices to pay.
12. The **Bank code** is a required field; the bank code for all invoices is the letters '**SS**' for Shared Services.
13. **Vendor Invoice** is the invoice/document number on the vendor's invoice. The system will check for duplicate invoice numbers.
    a. Note the **Detail** icon next to the vendor invoice number. You may click this icon to drill down into the details of the invoice such as commodity codes.

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14. The **1099 Tax ID** should default from vendor maintenance. 1099 setup & W-9s will be an Accounts Payable Shared Services function.
15. We are creating an invoice, so leave the **Credit Memo** field unchecked.
16. The **1099 Vendor** field will default from Vendor maintenance as prepared by Shared Services.
17. From the **Options** menu select **Document Text** window.
    a. In the **TEXT** field enter the **vendor account number** (from the invoice), your **campus initials** and the applicable **campus department**. This will print on the check payment and will assist with the accurate posting of an invoice payment. If there is no vendor account number just enter campus and department.
    b. Click the **Print** check box and assign **line number 99** to this text. Only one line of text may print per invoice.
    c. Click the **SAVE** and **Exit** icons to return to the Invoice / Credit Memo Header.
18. Click the **NEXT BLOCK** icon on the tool bar.
19. Enter a **Commodity** code for this invoice. You may query the codes using the drop-down menu. Use the generic (not campus coded) commodity codes. This is a required field.
20. Enter the amount of the invoice in the **Amount Approved** field. The balance of the encumbrance document will auto-fill but the amount can be overridden.
21. The **Discount** will default if discount codes are setup in vendor maintenance by Accounts Payable Shared Services.
22. The **Additional** field may be used for shipping, handling or other miscellaneous charges that might be on an invoice.
23. Mark the **Final Indicator** if this is the final invoice for the encumbrance. It will then liquidate/cancel the remaining amount of the encumbrance if there is a remaining balance. **(F)** for the final payment of an encumbrance.
24. Check the **HOLD** box if you would like to hold the invoice from being paid at this time. The invoice will not be paid until the hold is released in the **Accounts Payable Payment Control** process [FAAPAYC].
25. The **Access Completion** box will be checked in order to go directly to the completion screen as you do not need to complete the accounting distribution screen because the distribution was set up on the original encumbrance document. You may uncheck this to override the accounting distribution
26. Click on the **NEXT BLOCK** icon from the toolbar.
27. Check on the **Complete** icon to complete the document.

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FORMS

Detail Encumbrance Activity	FGIENCD	Provides detailed transaction activity for an encumbrance	This form will only display posted transactions
Encumbrance/Reservations Maintenance Form	FGAENCB	Allows the establishment and adjustment of budget reservation type encumbrances	These encumbrances are unrelated to a purchase order
General Encumbrance Maintenance Form	FGAENCB	Establishes an encumbrance that is not related to a PO	
Open Encumbrance Report	FGROPNE		Report Layout of F for fund
Organizational Encumbrance List	FGIOENC	Allows inquiry on all open encumbrances by organization for selected index, fund and/or organization	This form will only display posted transactions **FRS 021**