Purchase Order General (Encumbrance)

To implement the use of encumbrance:

- **Options > Purchase Order > General.** "Use Encumbrance" (optional setting). If box is checked, the encumbrance column on 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 PO's.

- **Financial Statements:** Encumbered column indicates the total amount of open PO's for this G/L account#.

- **Detail Report Writer > Open Ledger by Account#:** the listing of open PO's for each G/L account# should equal the encumbered amount.

- **Calculation of budget remaining if using encumbrance:**
  - **Setup > Options > Accounts Payable > Entry.** "Show annual budget remaining for budget type" is the setting for the system to calculate budget remaining based on either original Budget or Forecast.

  - If high-level Options is set to use encumbrance, when the system calculates the budget/forecast remaining for a G/L account number entered, the encumbered amount will be considered. Annual budget (or forecast) minus year-to-date actuals minus encumbered amount minus the screen entry amount equals budget (or forecast) remaining.