

# SOUTHERN UNIVERSITY

## COMPTROLLER'S OFFICE

PR-427

### **POLICIES AND PROCEDURES GOVERNING FINALIZING ENCUMBRANCES (PURCHASE ORDERS, TRAVEL, REQUISITIONS, DEPARTMENTAL INVOICES)**

#### **PURPOSE**

The purpose of this Operating Policy/Procedure (OP) is to establish the procedures and guidelines to ensure that end of the fiscal year encumbrances are finalized and/or processed in a timely manner. This policy sets forth guidelines to insure that vendors requisitions, purchase orders, invoices and/or statements are submitted and monitored timely to ensure compliance with both university, state and federal regulations, policies and procedures.

#### **OVERVIEW**

The Accounts Payable Section of the Comptrollers Office has the vested responsibility for the financial administration of finalizing fiscal year end encumbrances for the Southern University System. Accordingly, the staff must keep abreast of constantly changing policies and procedures to ensure compliance with the policies and procedures of the Federal agencies and the University. The accountants in this office functions as the financial liaisons between funding agencies, project directors the faculty, staff, and other campus administrative offices on financial matters related to finalizing fiscal year end encumbrances.

#### **DEFINITION**

**FBM009 Report** – Open Commitment Status – This report contains the account number, purchase order number, transaction date, description of transaction, date transaction created, original commitment, liquidating expenditure, current commitment, last action date, and drop flag.

#### **AUTHORITY FOR WRITING, UPDATING AND INTERPRETATION**

The authority for writing, updating and interpreting the applicable policies and procedures is vested with the Office of the Vice Chancellor for Finance and Administration.

The authority for compliance with these requirements rest with the Office of the Comptroller, Division of Accounts Payable through the Director of Accounting Services, Associate Comptroller and the Associate Vice Chancellor for Financial Operations and Comptroller.

## **RESPONSIBILITY FOR NOTIFICATION OF CHANGES**

The responsibility for notification of changes in applicable regulations, policies and procedures is vested with the Office of the Comptroller: Division of Accounts Payable.

## **DUTIES AND RESPONSIBILITIES**

The Accounts Payable Supervisor within the Comptroller's Office is responsible for the preparation and submission of correspondence requesting the vendor invoices on a monthly basis. The steps required for processing are outlined below.

- 1. Prepare a service request for the FBM009 report at June 30, 2005 on July 1, 2005 or the first working day thereafter (see attached). Request a hard copy and electronic copy sent to CMSid Monicam.**
- 2. Open Extra and perform the following:**
  - i. Open session by going to screen 030 and entering the following:**
    - a. Session Number, Review Log to get the next number**
    - b. Enter the date (i.e. 07202005)**
    - c. Enter Status "o"**
    - d. Enter description (i.e. Finalize POs)**
  - ii. Go to Screen 240 and enter PO# to validate vendor name and id#**
  - iii. Go to screen 021 and enter acct #, print screen to compare to same screen after PO finalized because amount should zero out**
  - iv. Go to screen 223 and confirm PO#; enter "Y" at Complete PO line and press enter; this will take you to screen 226; screen 226 should have at the bottom that the document has been processed (may need to press enter again); if so print screen and attach to documentation and go the next PO to finalize; if not go to screen 118 to determine if there are any pending transactions against the PO#; if not go to screen 011 (financial side) and enter the following:**
    - a. Acct #**
    - b. Trans code of "9"**
    - c. PO#**
    - d. Amount**
    - e. Credit = C and press enter**
  - v. Go to screen 021 and the amount should have zeroed out; print screen and attach to documentation.**
  - vi. Once you complete all transactions go back to screen 030 and print the screen prior to closing the session.**
  - vii. Close the session by entering a "C" in the status field.**

- viii. **Request the FBM094 and review the 96XX acct control for encumbrances for all the following accounts which include all accounts except the accounts that begin with a 2 (grant accounts). Also, go to screen 018 to ensure the encumbrances account is equal to zero. The accounting system can not be closed until all of these accounts are equal to zero.**

**SUBR CAMPUS:**

- a. **010000 96XX**
- b. **012000 96XX**
- c. **014000 96XXX**
- d. **018000 96XX**
- e. **06XXXX accounts must be viewed individually on screen 021**
- f. **07XXXX accounts must be viewed individually on screen 021**

**SUBD**

- a. **010000 96XX**

**NOTE: For other types of encumbrances (travel, requisitions, petty cash, etc. go directly to screen 011 and enter information as outlined above. Once you complete give your documentation to the Chief Disbursement Officer to file in the folder behind the log.**

**There may be beginning balance error from previous years. To remove these types of errors see the Associate Comptroller.**

- ☐ **Approved**
- ☐ **Disapproved**

Mrs. Gwendolyn A. Bennett