

## Step-by-Step Guide

### *How to Read...The Outstanding Encumbrances Report*

#### **What is the Outstanding Encumbrances report?**

The Outstanding Encumbrances report in the Reporting System provides information on the financial commitments recorded against a given SpeedType during a specified time period. Entries may result from either pre-encumbrances or encumbrances, and they may be created by payroll, purchasing, or other commitments.

#### **Why should you review this report?**

The Outstanding Encumbrances report is a critical component of the University's required Financial Report Review Process. It assists individuals in fiscal roles, at all levels of the University, in understanding the financial position of their responsibility unit as related to encumbrances.

Encumbrances are commitments that have not yet become liabilities and they demonstrate an obligation to make a future expenditure of funds. Encumbrances that appear on the Outstanding Encumbrances report, as well as on any other Finance System statement, fall into one of two categories: purchasing encumbrances or payroll encumbrances.

- **Purchasing encumbrances** can include both pre-encumbrances and encumbrances. A pre-encumbrance results when a PO Requisition or SPO Requisition is created and approved through the Finance System online pages. When the requisition is sourced to a purchase order, the pre-encumbrance becomes an encumbrance.  
*Examples of items that generate encumbrances without first creating pre-encumbrances include:* purchases made using Department Purchase Orders (DPOs), telecommunications equipment rental, and the F&A (Facilities and Administration) encumbrance in Fund 30 (which is not detailed on this report but is included on the Revenue and Expense Statement Summary report).
- **Payroll encumbrances** are calculated for all employees who are paid a salary (as opposed to an hourly wage). This includes salary for regular full-time and regular part-time employees in faculty, officer/professional exempt, and classified job codes. In certain circumstances, the salaries of some graduate students are encumbered as well. In addition to salary for these employee groups, retirement, Medicare, and various types of insurance are encumbered, as appropriate.

The report helps you understand this financial commitment and is used to ensure that:

- ONLY authorized encumbrances are recorded in the SpeedType;
- ALL authorized encumbrances are recorded in the SpeedType;
- Encumbrances recorded in the SpeedType reflect the proper amount;
- Encumbrances appearing in the SpeedType are recorded in the correct account, *and*,
- Encumbrances related to multi-year SPOs are properly allocated between fiscal years.

Unexpected commitments (amounts/items) or abnormal actual balances must be investigated.

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#### How is this report made available?

This report will be sent electronically, via the portal, to the designated Program/Project Principal, Program/Project Manager, and SpeedType Fiscal Staff. To find out if this report will be sent to you, refer to the Step-by-Step Guide [Understanding Fiscal Roles and Associated Financial Reports](#). To learn how to retrieve burst reports, refer to the Step-by-Step Guide [Reviewing Reports in the Portal](#).

Individuals with access to the Reporting System may run this report at any time. To learn how to run this report, refer to the Step-by-Step Guide [How to Run...The Basic Financial Reports](#). **How to read your report: understanding data elements**  
A successfully run Outstanding Encumbrances report should have the same elements as the report below:

ID	DATE	VENDOR NAME/DESCRIPTION	REFERENCE	BEGIN DATE	END DATE	CURRENT REQUISITION/ PRE-ENCUMBRANCE	TOTAL REQUISITION/ PRE-ENCUMBRANCE	CURRENT ENCUMBRANCE	TOTAL ENCUMBRANCE
<b>535101 -- MEDICAL SUPPLIES</b> SPO 0000053015 Jan 4, 2006 ACTIVE IMPRINTS Feb 1, 2006 Jan 31, 2007 - - 0 0 <b>TOTAL FOR: 535101 -- MEDICAL SUPPLIES</b> - - \$4,750.00 \$4,750.00									
<b>535102 -- MEDICAL SERVICES</b> SPO 0000053168 Jan 13, 2006 BOULDER RADIOLOGISTS INC Mar 1, 2006 Feb 28, 2007 - - 22,529.78 22,529.78 SPO 0000053193 Jan 17, 2006 COMMUNITY HOSPITAL ASSOCIATION DBA Mar 1, 2006 Feb 28, 2007 - - 129,348.89 129,348.89 SPO 0000053944 Feb 28, 2006 WINKELBAUER,LINDY C May 1, 2006 Apr 30, 2007 - - 5,000.00 5,000.00 <b>TOTAL FOR: 535102 -- MEDICAL SERVICES</b> - - \$156,878.67 \$156,878.67 <b>TOTAL FOR SPEEDTYPE: 12026870 -- ATHLETIC MEDICAL</b> - - \$161,628.67 \$161,628.67									

#### Elements of the Outstanding Encumbrances report:

1. **Report Header** – general information, including the report title, report effective period (e.g., data through the end of the month), percentage of fiscal year completed, report run date/time, and page number.
2. **SpeedType Attributes** - values and descriptions for SpeedType, Fund, Program/ Project, Subclass (if any), and Expense Purpose Code. The SpeedType is a **drillthrough** (weblink) to the SpeedType Attributes report. (To learn about this report, refer to the Step-by-Step Guide [How to Run and Read the SpeedType Attributes Report](#).)
- \*\*\* **Project Details** - information about the Project, including the sponsor, award code/doc#, accountant, F&A rate, Project start and end dates, and budget start and end dates. *This information will only display if the SpeedType is associated with a project.*
3. **Principal Details** - information about the Org Principal and Program or Project Principal.
4. **Manager Details** - information about the Org Manager and Program or Project Manager.

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5. **ID** – identification number for each line item, e.g., employee ID numbers for payroll encumbrances; PO or SPO numbers for purchasing encumbrances; other ID for other encumbrance types. (For SPO Requisitions, this column will display 'PRE' – pre-encumbrance – and the requisition number.)
6. **Date** – transaction date (pay period date for payroll encumbrances; purchase order/requisition creation date for purchasing encumbrances; journal date for other encumbrance types).
7. **Vendor Name/Description** - vendor detail for each line item (employee names for payroll encumbrances, vendor names for purchasing encumbrances, and type of description for other encumbrances, e.g., TELECOM ENCUMB).
8. **Reference/Source** – position number (only for payroll encumbrances).
9. **Begin Date and End Date** – begin and end dates (only for SPO Requisitions/SPOs).
10. **Current Requisition/Pre-encumbrance** – remaining amount pre-encumbered in the current fiscal year (FY). For PO Requisitions, this will equal the Total Requisition/ Pre-encumbrance amount. For SPO Requisitions using project funds (30, 31, 71, 75, 76, 77, 79), this will equal the Total Requisition/Pre-encumbrance amount. For SPO Requisitions that span multiple years, this amount will equal the amount allocated to the current FY. *It is this amount that is displayed on the Revenue and Expense Statement Summary Report.*
11. **Total Requisition/Pre-encumbrance** – remaining portion of the total pre-encumbrance. For SPO Requisitions, this includes the amount pre-encumbered in the current FY plus the amount designated to be added to the pre-encumbrance in future FYs.
12. **Current Encumbrance** – remaining amount encumbered in the current FY. For POs, this will equal the Total Encumbrance amount. For SPOs using project funds (30, 31, 71, 75, 76, 77, or 79) *and* whose begin date is before July 1, this will equal the Total Encumbrance amount.
13. **Total Encumbrance** – remaining portion of the total encumbrance. For SPOs, this includes the amount currently encumbered plus the amount designated to be added to the encumbrance in future FYs.
14. **Account** - this column shows the Account ChartField value and description for each line item. Transactions are listed in order by account type (payroll, official functions, travel, etc.).
15. **Totals** - each account is totaled. There is also a total line for the SpeedType. (The account total will equal the encumbrance account total on the Revenue and Expense Statement Summary. For more information, refer to the Step-by-Step Guide [How to Read the Revenue and Expense Statement Summary](#).)
16. **Hide Detail/Show Detail button** - The report initially shows this button as HIDE DETAIL (and with every line down to the individual encumbrance displayed). By clicking on this button, you can quickly hide the individual encumbrance details, leaving only the account subtotals.

Show Detail



***F&A encumbrances are not included on the Outstanding Encumbrances report.***

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#### **How to read your report: identifying potential encumbrance issues**

Abnormal balances will result from errors, which can occur when working with encumbrances. For example:

- A department might be working with partial invoices on a particular purchase order. If the final invoice, when it is paid, is not marked as being FINAL, then the encumbrance will not clear, and the purchase order will not close.
- The actual invoiced amount for a purchase might be less than the amount recorded on the purchase order. Since the amount of the invoice is not equal to the amount of the purchase order, the encumbrance will not clear, and the purchase order will not close.
- Payroll encumbrances may appear higher than expected. This may indicate an issue with either the funding distribution or the appointment end date in the Human Resources Management System (HRMS).

Encumbrance errors indicate a problem requiring resolution with the source system, e.g., Payroll, Accounts Payable, Telecom, Procurement Service Center, etc. Always contact the owner of the source system for assistance in fixing an encumbrance problem.

#### **Handling other potential issues**

If you need additional information about a transaction, you should contact:

1. *For cash transfer transactions*, the Detail Statement lists the name and the phone number of the individual who initiated the transaction.
2. *For other transactions*, refer to the Journal Source column. By way of illustration, BG8, and PAY are examples of Journal Sources. For the **Journal Source Code Contact Listing** (additional information about the Journal Source, such as contact name and phone number), go to <https://www.cu.edu/controller/finance/tools.html>.

If you need assistance in understanding how to investigate any highlighted items, you should work with your fiscal manager or campus controller's office, as appropriate.