

Liquidating a Manual Encumbrance
Created on 1/20/2010 3:24:00 PM

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SYSTEM POLICIES

The tasks in this documentation provide end users with the tools to enter data and collect data in system. It is the responsibility of the agencies to comply with State Statutes, Federal Rules and Regulations, and State policies. For further information concerning State Statutes and policies, please refer to both internal agency resources and the Department of Administrative Services website.

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Liquidating a Manual Encumbrance

Liquidating a Manual Encumbrance Overview

Liquidating a Manual Encumbrance using the Void Methodology

MANUAL ENCUMBRANCE RELATED TO AN ITEM ALREADY PAID (Examples: Payroll, Materiel Journal Entries)

Warning: If you have created a manual encumbrance and it has already been paid, it must be liquidated.

1. Locate the previously created encumbrance journal entry and void the transaction. Be sure and use a current general ledger date regardless of the date the encumbrance was created. (Instructions below).

- Add a text attachment to the journal entry to document the payable document number or journal entry document where the encumbrance was paid to provide an audit trail.

Note: For step-by-step instructions on how to add an attachment, please refer to the Working with Attachments work instructions in the System Basics Training Manual.

2. Approve and Post the voided encumbrance journal entry. This will release your encumbered authority.

MANUAL ENCUMBRANCE RELATED TO AN ITEM READY TO PAY, where the payment is equal to or greater than the original manual encumbrance.

If you have created a manual encumbrance and you are ready to create a payable to pay the transaction and the payment is for the same amount or a greater amount than the original encumbrance, liquidate the document by following these steps:

1. Create the payable using the Voucher Entry without PO menu.

- Before approving and posting the payable, complete the following steps:

2. Leave room in the explanation to record the associated encumbrance document number.

3. Write down the document number of the payable on a piece of paper so you can record it on an attachment to the voided encumbrance transaction.

4. Locate the previously created encumbrance journal entry and void the transaction. Be sure and use a current general ledger date regardless of the date the encumbrance was created. (Instructions below).

- Add a text attachment to the journal entry to document the payable document number or journal entry document where the encumbrance was paid to provide an audit trail.

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Note: For step-by-step instructions on how to add an attachment, please refer to the Working with Attachments work instructions in the System Basics Training Manual.

5. Approve and Post the voided encumbrance journal entry. This will release your encumbered authority.
6. Edit the payable transaction to include the associated encumbrance document in the explanation field.
7. Approve and Post the payable.

Liquidating a Manual Encumbrance Using the Create/Add Negative Manual Encumbrance Methodology

MANUAL ENCUMBRANCE RELATED TO AN ITEM READY TO PAY, where the payment is less than the original manual encumbrance.

When a manually created encumbrance is paid at a lower amount than the original encumbrance, the void methodology should not be used. An agency should create a new manual encumbrance with a credit amount for the amount paid.

If you have created a manual encumbrance and you are ready to create a payable to pay the transaction and the payment is for lower amount than the original encumbrance, follow the instructions below:

Liquidate the document by creating a payable, following the steps below:

1. Create a payable using the Voucher Entry without PO menu. Prior to the approval or post, complete the following steps:
 - Leave room in the explanation to record the associated encumbrance document number.
 - Write down the document number of the payable on a piece of paper so you can record it on an attachment to the voided encumbrance transaction.
2. Before approving and posting the payable, complete the following steps:
 - Create a new manual encumbrance

If the original encumbrance was a J9 document type, be sure and change that field. If you are liquidating a current year encumbrance, then the document type would remain a JE.

Enter the Business Unit and the amount to be paid as a negative amount. This amount should agree with the invoice being used to create the payable.

Add a text attachment to the journal entry to document the payable document number to provide an audit trail.

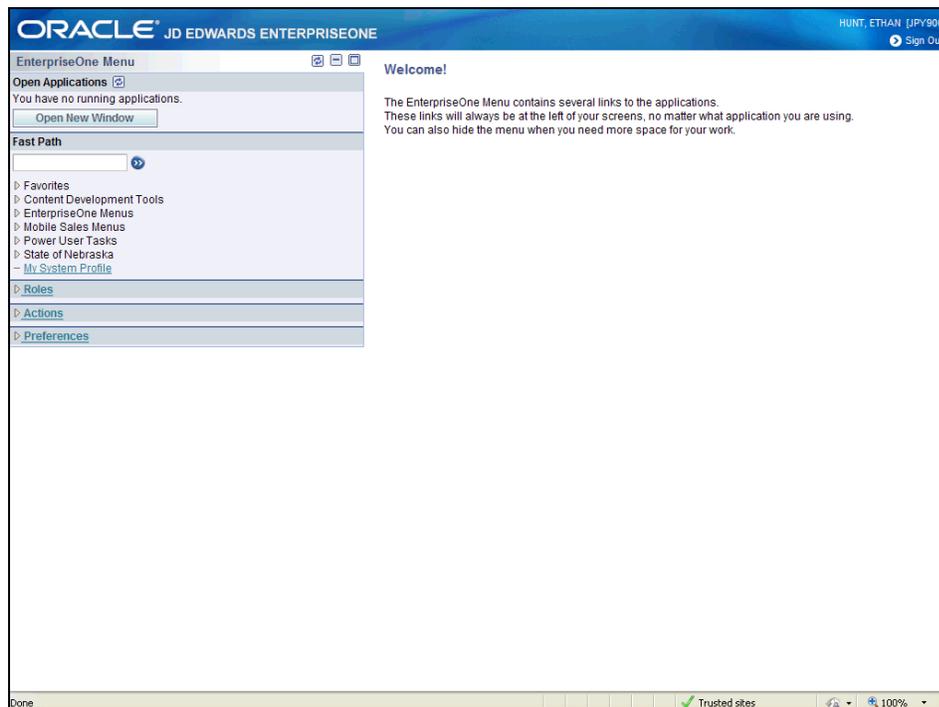
- Approve and Post the negative encumbrance journal entry. This will release your encumbered authority.
- Edit the payable transaction to include the associated encumbrance document in the explanation field.
- Approve and Post the payable.

By creating a new encumbrance with a credit amount, you are able to identify potential appropriations that should be lapsed. The difference between the original encumbrance and the payment is the appropriation that should be lapsed. To determine what that amount should be, you can run an inquiry on the PB (Manual Encumbrance) Ledger.

Liquidating a Manual Encumbrance Lesson

Procedure

In this lesson you will learn how to liquidate a manual encumbrance.

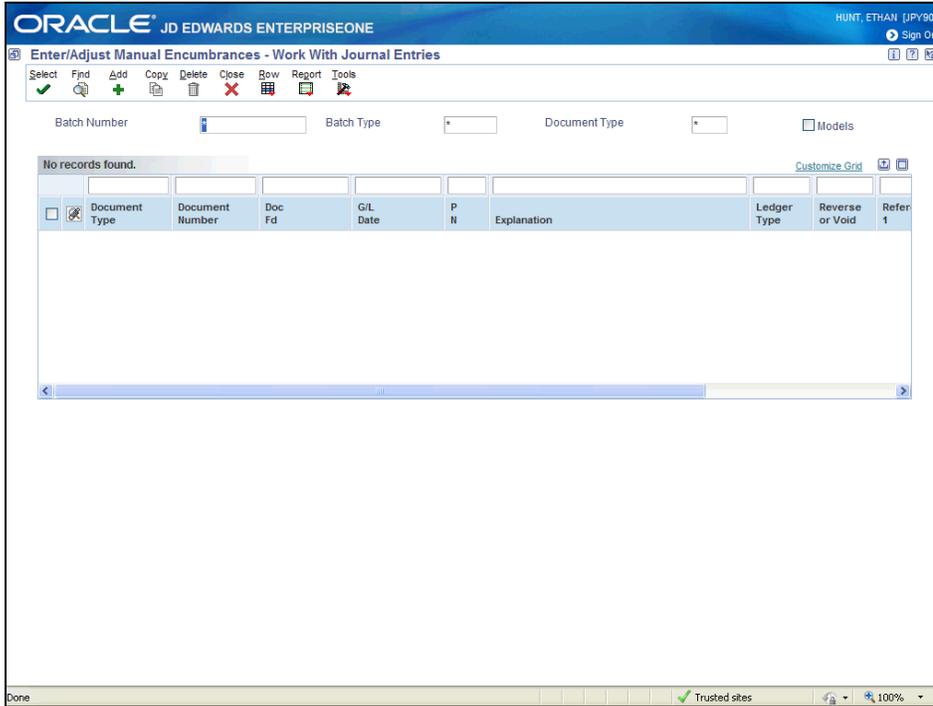


Step	Action
1.	Click the State of Nebraska link. <u>State of Nebraska</u>
2.	Click the Budget link. <u>Budget</u>
3.	Click the Enter/Adjust Manual Encumbrances link. <u>Enter/Adjust Manual Encumbrances</u>

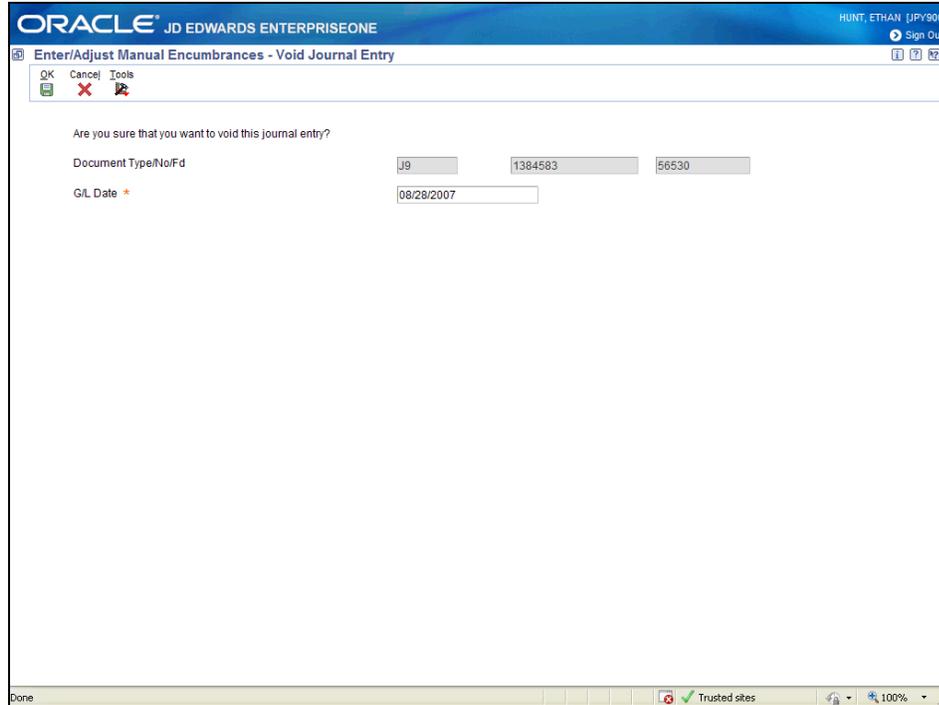
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Step	Action
4.	Click the Enter/Adjust Manual Encumbrances link. Enter/Adjust Manual Encumbrances



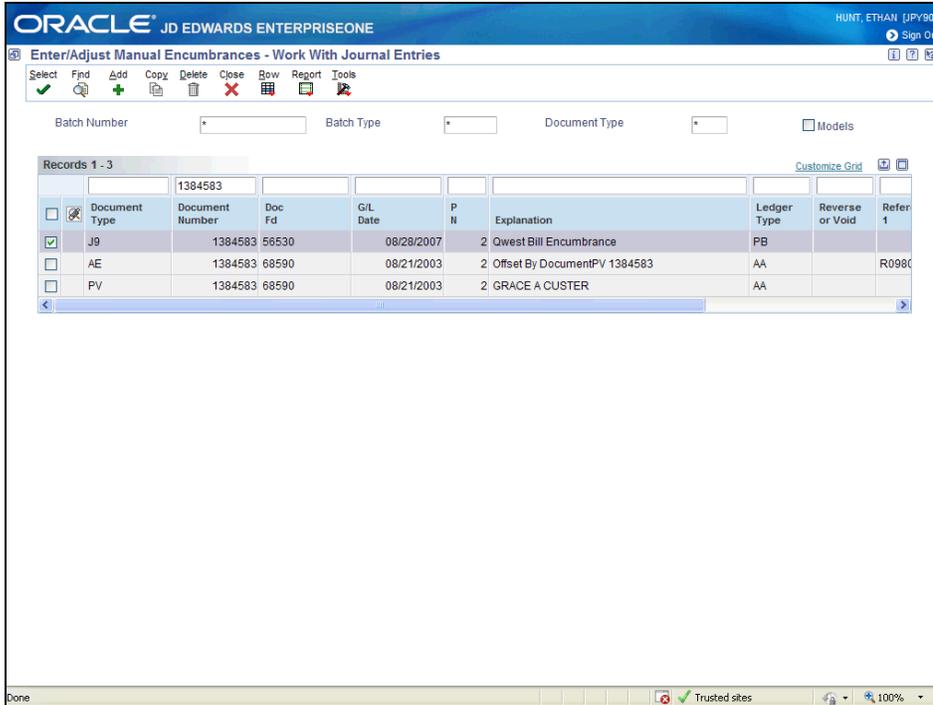
Step	Action
5.	Click in the Document Number field. <input type="text"/>
6.	Enter the document number of the original encumbrance (found on the Allotment Status Encumbrance Detail Report) into the Document Number field.
7.	Note: To narrow the search, also enter " J9 " in the Document Type field and " PB " in the Ledger Type field.
8.	Click the Find button. 
9.	Choose the transaction to void by placing a checkmark to the left of the row. <input type="checkbox"/>
10.	Click the Row button. 
11.	Click the Void menu. <input type="text" value="Void"/>



Step	Action
12.	Click in the G/L Date field. <input type="text" value="08/28/2007"/>
13.	Change the G/L Date field to a current General Ledger Date (Today's Date). Warning: If the date is not changed to current date, the void will not post.
14.	Click the OK button. <input type="button" value="OK"/>

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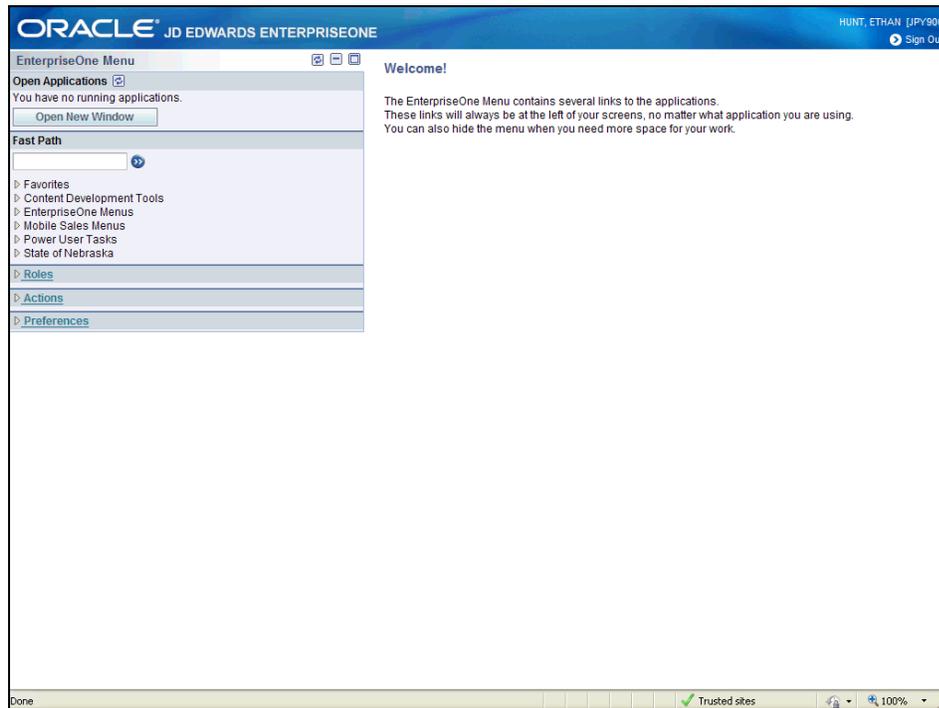
Liquidating a Manual Encumbrance



Step	Action
15.	Click the Find button. 
16.	The void transaction will have a “V” in the Reverse/Void Column. Note: Both the original encumbrance and the voided encumbrance will have the same Document Number. The G/L Date on the voided transaction will be a current date. The period of the transaction appears in the PN field.
17.	Follow your agency's normal approval routing to approve and post the void. (Please see the Review/Approve/Post Manual Encumbrances section of the Enter/Adjust Manual Encumbrances work instructions on the NIS Website.) Note: Write down the original batch for review and post. Note: The batch number will also be the original number. When you look at the “Review/Approve/Post Manual Encumbrance” screen, it will show that the batch as changed from posted to pending.
18.	Click the Close button. 
19.	You have successfully completed this lesson. End of Procedure.

Inquire on the PB (Manual Encumbrance) Ledger Lesson Procedure

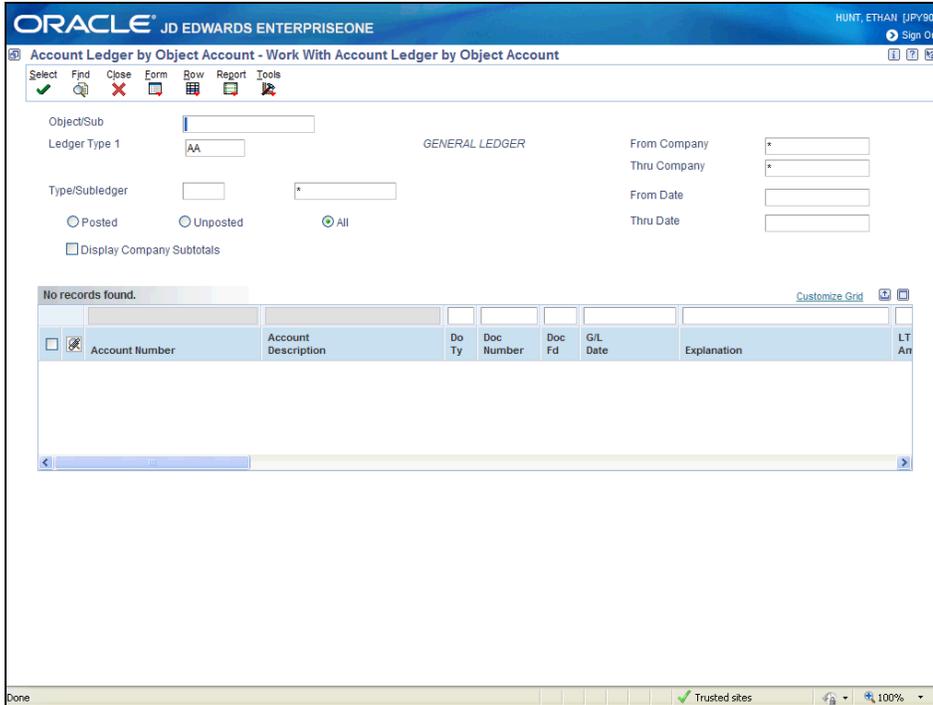
In this lesson you will learn how to inquire on the PB Ledger.



Step	Action
1.	Click the State of Nebraska link. State of Nebraska
2.	Click the Accounting link. Accounting
3.	Click the Inquiries & Reports link. Inquiries & Reports
4.	Click the Accounting Inquiries link. Accounting Inquiries
5.	Click the Account Ledger Inquiries link. Account Ledger Inquiries
6.	Click the Account Ledger by Object Account link. Account Ledger by Object Account

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Step	Action
7.	Click in the Ledger Type 1 field.
8.	Enter " PB " into the Ledger Type 1 field.
9.	Click the Find button.
10.	Scroll to the right to see an outstanding balance.
11.	When you know the amount of the appropriation that should be lapsed, send the following information to your Budget Analyst in State Budget. State Budget will appropriately reduce the Appropriation by that amount. Amount to lapse Original Encumbrance New 'credit' Encumbrance
12.	Click the Close button.
13.	You have successfully completed this lesson. End of Procedure.