

TIPS

from Business Affairs



TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER.

Open Encumbrance Review Process

The open encumbrance review process should be an ongoing process, not just at year end. Follow the steps below to begin your review.

- Review all open encumbrances in Cognos: **Public Folders > HSC Finance > Encumbrances, Invoices and Checks > Open Encumbrances by Fund and Orgn.**
 - Check for validity:
 - Will the order be fulfilled before 8/31/2014?
 - Was the order received but receiving never completed? (If so, complete receiving)
 - Have you received the order but it has not been invoiced (paid)? (Make sure all invoice information is submitted to Payment Services.)
 - If the encumbrance is still valid, leave open.
 - If the encumbrance needs to be closed make the request through the [PO and Encumbrance Change Request](#) application.
- Encumbrances on E & G funds (funds that start with a 10) only roll one year. If the open encumbrance rolled from FY 13 to FY 14 and is not expended by **08/01/2014**, it will be closed.
 - When the encumbrance is closed, any associated budget will be reversed and cannot be used for other current year purposes.
 - To keep the funds available beyond 08/01/2014 you must notify Purchasing at purchasing@ttuhsc.edu by **08/08/2014** to re-establish the encumbrance.
- Payroll encumbrances are systematically released at year end.

By the Numbers - Encumbrances	
Encumbrance Type	\$ Amount
Payroll Open Encumbrances	62,696,166.38
Non-Payroll Open Encumbrances	36,419,424.58
Total Open Encumbrances as of 06/30/2014	99,115,590.96

For more information, contact Finance Systems Management at fsm@ttuhsc.edu.