

Year End Purchasing Issues and Solutions

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Overview

Here are various year end scenarios that impact your budget accounts.

1. Cross-year transactions (Requisition vs. Purchase Orders, Purchase Orders vs. Vouchers)
2. Rolled POs
3. Using accrual account instead of PO ChartString
4. Canceled requisitions
5. PO encumbrance reversal vs. voucher expense amount
6. Complete transactions before prior fiscal year is closed

1. Cross-year transactions

Guiding questions for cross-year transactions:

- Did you process next fiscal year's reqs and POs in the current year?
 - Verify req dates prior to creating POs?
 - Verify dates after creating POs?
- Did you pay vouchers in July against prior year POs (not yet rolled)?

A. Requisition vs. Purchase Orders

Documents created in current year (2017) need to be dated for the future fiscal year (2018).

REMINDER: Next fiscal year (2018) documents must have a July budget date (2018).

Scenario 2				Scenario 3			
Current date in Requisition. Pre-encumbered in current year. July date in PO. Encumbered in July.				July date in Requisition. Pre-encumbered in July. Current date in PO. Encumbered in current year.			
2017		2018		2017		2018	
Encumbrance	0.00	Encumbrance	2,562.84+ (includes sales tax)	Encumbrance	2,562.84+ (includes sales tax)	Encumbrance	0.00
Pre-Encumbrance	2,373.00+	Pre-Encumbrance	2,373.00-	Pre-Encumbrance	2,373.00-	Pre-Encumbrance	2,373.00+

B. Purchase Orders vs. Vouchers

POs encumbered in prior year (2017). Voucher expensed and budgeted in the new year (2018).

2017		2018	
Expense	0.00	Expenses	2,800.00+
Encumbrance	2,800.00+	Encumbrance	2,800.00-

Directions

Here are the steps to identify the reqs and POs that caused pre-encumbrances and encumbrances balances.

1. Run these two encumbrances queries:
 - M_ENCUMBRANCES_SUM
 - FAR_ENCUMBRANCE_LEDGERS – use this query to see if the encumbrance difference resulted from prior year.
2. Use Budget Details or Budget Overview to drill down to the account.
3. Click on the Pre-Encumbrance/Encumbrance activity log
4. Select “Display Open Pre-Encumbrances only” checkbox.
 - a. If reqs displayed and the offsetting line displays as zero amount, check if the requisition was canceled. Open up a new window and go to the Manage Requisition page. Search for the requisition.
 - b. If no reqs displayed, uncheck the box and then download the transactions to excel. In the excel window, do a pivot table. Drag the fields on the appropriate boxes.
 - Document Label to Columns
 - Document ID to Rows
 - Monetary Amount to SumLook for the difference if it shows the exact amount on the Pre-Encumbrance side. If it does, then this could mean that it is due to crossing years between the req and PO.

FIX: Do a KK journal to clear the pre-encumbrances/encumbrances. This information will be added to the 2018 Year End Closing Guide. Contact CRC if you need the information now.

2. Rolled POs

ISSUE: On rolled POs, some distribution lines expensed were not closed and were re-encumbered. These distribution lines have been expensed. During the year, a new distribution line was added for a different account within the same PO line.

TO PREVENT: When you need to change the ChartString account, change the PO line to how much it was expensed. Add a new PO line for the remaining amount to a new ChartString.

3. Using accrual account instead of PO ChartString

ISSUE: When the voucher was created, an accrual account was used instead of the PO account. This applies to POs that have not been rolled or have already rolled to the new fiscal year.

TO FIX: Do a KK journal to clear the encumbrances.

TO PREVENT: Do not use the accrual account. Use the expense account from the PO.

4. Canceled requisitions

This is an unknown issue that caused pre-encumbrance/encumbrance balances.

ISSUE: Canceled requisitions that the pre-encumbrance did not reflect/reverse correctly at the KK ledger. No cause identified.

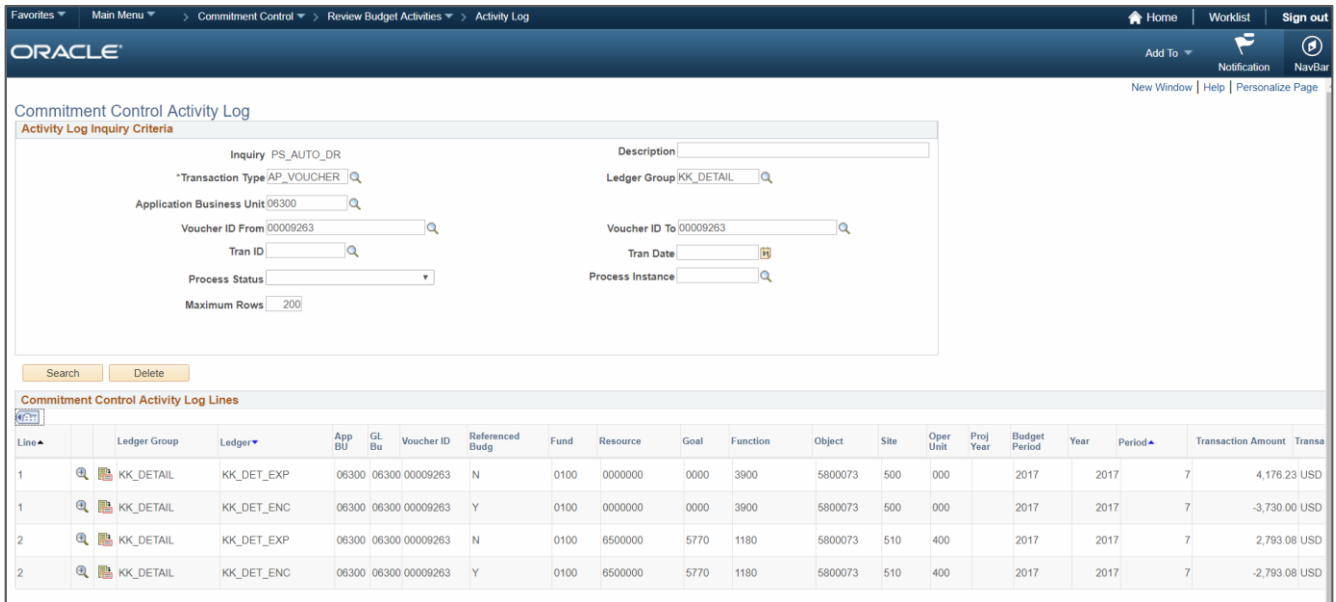
TO FIX: If Requisition has not been closed yet, go to Manage Requisition to Undo Cancel, Budget Check, Cancel, Budget check again.

5. PO encumbrance reversal vs. voucher expense amount

This is an unknown issue that caused pre-encumbrance/encumbrance balances.

ISSUE: Encumbrances that were not reversed properly at the KK ledger when the Voucher was budget checked. PO Encumbrance Reversal vs. Voucher Expense amount.

TO REVIEW: Use the PO Accounting Entries and Activity log to review the difference.



The screenshot shows the Oracle Commitment Control Activity Log interface. The search criteria are as follows:

- Inquiry: PS_AUTO_DR
- Description: (empty)
- Transaction Type: AP_VOUCHER
- Ledger Group: KK_DETAIL
- Application Business Unit: 06300
- Voucher ID From: 00009263
- Voucher ID To: 00009263
- Tran ID: (empty)
- Tran Date: (empty)
- Process Status: (dropdown menu)
- Process Instance: (empty)
- Maximum Rows: 200

The table below shows the Commitment Control Activity Log Lines:

Line	Ledger Group	Ledger	App BU	GL Bu	Voucher ID	Referenced Budg	Fund	Resource	Goal	Function	Object	Site	Oper Unit	Proj Year	Budget Period	Year	Period	Transaction Amount	Transa
1	KK_DETAIL	KK_DET_EXP	06300	06300	00009263	N	0100	0000000	0000	3900	5800073	500	000		2017	2017	7	4,176.23 USD	
1	KK_DETAIL	KK_DET_ENC	06300	06300	00009263	Y	0100	0000000	0000	3900	5800073	500	000		2017	2017	7	-3,730.00 USD	
2	KK_DETAIL	KK_DET_EXP	06300	06300	00009263	N	0100	6500000	5770	1180	5800073	510	400		2017	2017	7	2,793.08 USD	
2	KK_DETAIL	KK_DET_ENC	06300	06300	00009263	Y	0100	6500000	5770	1180	5800073	510	400		2017	2017	7	-2,793.08 USD	

TO FIX:

When PO is closed, the encumbrance will be liquidated.

If PO has a remaining balance and need to be kept open, here are the steps on how to bring it up to balance.

- Reduce the PO line amount by how much it was expensed to date.
- Go to the Open distribution line. Change the amount to match the total PO line amount.
- Click OK.
- Insert a PO line for the remaining encumbrance balance. Enter your account.
- Save and Budget Check.
- Approve PO, if applicable.
- Go to Buyer's Workbench to close only the PO line 1. Instead of selecting the PO checkbox, select the Lines icon, and then select the Line 1. Then click on Return to the Buyer's Workbench link. Complete closing the PO line 1.
- Budget Check the PO.

6. Complete transactions before prior fiscal year is closed

ISSUE: Budget error when cleaning up the encumbrances.

TO FIX: Must clear pending encumbrances or pre-encumbrances prior to closing the budget year.

REMINDER: Do not reopen prior year POs.