

Q&A- FY20 Payments & Encumbrances Webinar

The answers provided in this document are current as of June 8, 2020.

1. What is a post-back period?

A post-back period allows a payment made in FY21 to be adjusted and applied to FY20. For example: a supplier submits an invoice dated June 30 but it is not paid until mid-July. Because the invoice date falls within the previous fiscal year, the payment is adjusted and included in previous fiscal year totals.

2. How long will invoices be accepted by Purchasing?

Invoices will always be accepted. However, in order for payments to post-back to FY20, the supplier invoice must be dated June 30 or earlier and received by IU by July 10.

3. What's the difference between a soft closed and a closed PO? Why would a PO go into a soft close status?

“Soft close” is the status a PO automatically enters when it is fully invoiced by quantity or an invoice is approved using force match. This status allows for additional invoices and credit memos to post against the PO and does not release encumbrances from accounts. After 60 days, the PO moves into a full close. At this point, the PO no longer accepts documents and encumbrances are released.

4. Who has the ability to close POs?

Individuals with the Requestor role in BUY.IU (faculty, staff, employed students) can close POs. The individual does not need to be associated with the order as the owner or as an approver.

5. Does Purchasing have to reopen a fully closed PO?

Yes, only Purchasing can open POs in either a soft or fully closed status. Log a comment on the PO and tag the user purhelp@iu.edu as an email recipient to request the PO be opened.

6. Should you wait until the invoice has reached paid status before closing the PO?

No, this isn't necessary. Once a BUY.IU invoice is generated it will continue to route and generate payment, regardless of the status of the PO.

7. Will my FY20 POs automatically close?

No, FY20 POs will not automatically close. Review your open encumbrances and close POs which are no longer needed to release those encumbrances.

8. If my PO is currently in a soft close status do I need to fully close it before year end?

Technically no. If the PO is already in a soft close status it will move to a full close after 60 days. If you wish to clear the encumbrance ahead of that 60-day timeframe, close the PO in BUY.IU. This is not necessary before year end but will help you have a more accurate picture of your finances.

9. Is there a way to tell if an invoice will be paid or was paid in FY20 or FY21?

If the invoice has already been paid, the best place to find this information is using a General Ledger lookup in either KFS or IUIE. If the payment has not been made, review the date listed next to “Invoice Date” on the BUY.IU invoice. If the date is June 30, 2020 or earlier, the payment will post to FY20.

10. Our June US Bank statement arrives on July 10th. Will that post to June or July if the CR report is approved by July 15th-20th?

For expenses to post to FY20, they must be reconciled by June 30. Please contact pcardhelp@iu.edu for additional P-Card support.

11. Is there a report that can be pulled to show what POs are in a soft close status?

You can locate POs in a soft close status using the advanced PO search. Check the box next to “Soft Closed” in the AP Status section along with your other parameters, such as your Org code.

12. If an invoice has been paid/completed and it shows up in my search, what do I do with it?

If you are following the search guidelines outlined in the webinar, you will only see invoices in a “Pending” workflow status returned. “Paid” and “Completed” are two different things. Invoices can be paid once they reach a “Completed” workflow status. This status means the invoice has finished routing and payment details have been transmitted to PDP, IU's payment generation system.

13. What if you haven't used the total of the PO and won't?

If no future invoices or credit memos are expected, close the PO. This releases encumbrances.

14. I have had encumbrances remain on an account after the PO has soft closed in which there was a change request. Is there a reason the encumbrances do not update on those?

If the PO is in soft close status encumbrances will not be released. Fully close the PO to release those encumbrances.

15. Can we extend the date on an existing PO that we know will have recurring payments in the next FY or do we have to close and reopen a new PO?

Possibly, but this is a question for Purchasing. Use the [Who Buys What? page](#) on Purchasing's site to locate the contract manager for the commodity you're purchasing for additional details.

16. What should I do if I've changed roles and need to check on invoices and POs that were entered by the person who previously held my position?

Use the advanced PO search to locate orders prepared by that person. Review the FY21 Order Entry webinar for additional details.