

Year End Quick Guide: Payments & Encumbrances

Payments

Payments associated with supplier invoices which reflect an invoice date of June 30, 2020 or earlier and are received by July 11, 2020 will “post-back” to Fiscal Year 20 (FY20). FMS Operations will manually adjust these payments so that they apply to FY20 even though the payments are made in Fiscal Year 21 (FY21).

Payments associated with check requests must be created in BUY.IU by June 30, 2020 or earlier to post-back to FY20. Requisitions containing check requests must be in “Completed” workflow status by June 30, 2020 to accomplish this.

Departments should take special care to approve FY20 invoices quickly to ensure they post-back appropriately. Locate invoices using the advanced Invoice search with the following criteria:

Search parameter	Description
Date	First Drop-Down: Supplier Invoice Date Second Drop-Down: Before X Date, enter 07/01/2020
Workflow Status	Check box next to “Pending.”
Account-SubAccount	Enter the funding account used to pay invoices. Search for additional accounts by clicking “Add Another Account-SubAccount.”
Org	Enter the chart and org (ie, UA-PUR) to return invoices funded by accounts associated with that org. Search for multiple orgs by clicking “Add Another Org.”

Use the filters in the left-hand navigation of the search results to filter your results for invoice in a specific workflow stop or click on a document number to review additional invoice details. Review the Approvals section of the invoice. If an individual’s name is listed in a workflow stop, they are processing the invoice and are the best point of contact for questions.

The table below describe the actions taken by the department.

Workflow stop	Action
FO Treaty Check	Log comment on the invoice stating whether payment should be grossed up. Approve invoice.
Hold for Receiving	Log a receipt on PO which satisfies invoice or what has been invoiced so far.
Matching Exceptions	Review matching section of BUY.IU invoice and supplier invoice image (if available). Approve/reject/contact AP as needed.
Recurring Payment Review	Review BUY.IU invoice and supplier invoice image (if available). Confirm proper receipts logged. Approve/reject/contact AP as needed.

Alternatively, an invoice may be sitting with an administrative office. The table below lists these workflow stops as well as the general contact information for each. An “X” in the BUY.IU comments column means the contact email can be added as an email recipient in a comment in BUY.IU.

Workflow stop	General contact	BUY.IU comments
AP Invoice Review, Closed PO Exception, Invoice Hold, Invoice Import Notifications, Unique Supplier Review.	fmsaphlp@indiana.edu	X
Buy Desk-IT, -MRO, -Professional Serv, -Scientific	purhelp@iu.edu	X
Buy Desk-ORA Intake	iuaward@iu.edu	
Contract Mgr-IT, -MRO, -Professional Serv, -Scientific	purhelp@iu.edu	X
Tax Review-Backup Withholding, -Foreign Supplier, -Initial	taxpayer@iu.edu	X
Treasury Review	moneymov@iu.edu	X

Encumbrances

Encumbrances associated with purchase orders (POs) in an open or soft close status will remain on the account until the PO is fully closed. Fully close POs which are no longer needed and will not receive any additional invoices or credit memos to release encumbrances and have a more accurate picture of account balances.

First, identify encumbrances on your account using one of the following methods:

KFS – Open Encumbrances

- Best for identifying encumbrances by account.
- Location: Financial Processing Module > Reference section > Open Encumbrances.
- Instructions: Enter the Chart Code and Account Number in the appropriate fields. Refine your search results to BUY.IU documents by entering “BY” in the Origin Code field. Click Search and KFS returns a list of open encumbrances related to POs.

IUIE – Outstanding Encumbrances

- Best for identifying encumbrances by Org or RC.
- Location: Kual Financial > General Ledger > Outstanding Encumbrances.
- Instructions: Enter the Chart Code and Org, or Chart Code and RC, in the appropriate fields. Click Valid Values to see a list of options for that search field. Define any additional parameters and click Run. Your browser downloads an Excel file which contains a list of open encumbrances.

Once encumbrances have been identified, use the PO number to locate the PO in BUY.IU. Review the PO, paying attention to the Comments and Invoices sections in the left-hand menu. The top of the Invoices section provides a summary of payments made against the PO. The Total represents total payments made.

Invoicing Summary ?							
Invoice No. ▼	Supplier Invoice No.	Invoice Date ▼	Due Date ▼	Invoice Type	Payment Status	Invoice Total	Invoiced By
SI0242265	AUX00066021	1/22/2020	2/21/2020	Invoice	Paid	185.00 USD	System
SI0240866	AUX00066022	1/22/2020	2/21/2020	Invoice	Paid	185.00 USD	System
						Total	370.00 USD

If no additional invoices or credits are expected, fully close the PO by selecting “Close PO” from the Document Actions menu in the upper right-hand corner. BUY.IU prompts you to log a note explaining why the PO is being manually closed. This becomes a Comment on the PO and part of the official audit record of the document.

Once fully closed, encumbrances are immediately released from the pending ledger table and fully released from the General Ledger overnight.

If a PO is closed in error, log a Comment on the PO and add the user purhelp@iu.edu as an email recipient to request the PO be re-opened by Purchasing staff.