

Year-End Encumbrances

At the end of each fiscal year, there may be expenditures that are in process for which the timing of the actual charge to the department will cross from the old to the new fiscal year. For example, payment to Plant Services for painting that is done in June, but not billed until July.

The Budget Office may encumber the amount of the expense, in order to charge it against the current year's budget., assuming that the department's budget has enough remaining funding to cover the expense.. The idea is to record the expense in the fiscal year in which it was incurred. Once encumbered, that amount of funding is added to the next fiscal year's budget in order to cover the expense that will be charged in the next fiscal year. In the new fiscal year, the transactions are a wash – the funding is added, and the expense is deducted.

As fiscal year-end approaches, and expenses to be encumbered are identified by a department, an encumbrance request should be submitted to the Budget Manager, who will forward it to the Budget Office. Do not send the request directly to the Budget Office. Send the request by campus mail or by email. Include copies of any relevant documents – purchase req, plant service order, etc.

Funding entries for encumbrances from June year-end are usually made to the department's account by the end of August of the new fiscal year.