

How to Fix Encumbered POs

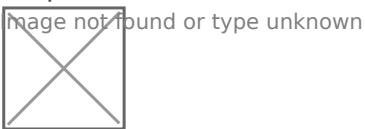
What is an encumbered PO?

An encumbered PO is an order that has not been completely fulfilled, and the ST funds used for the order are not usable because they're reserved until the full amount of the order has been spent.

How do I find the order?

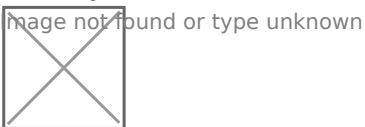
Anyone with Marketplace access can look up any PO, regardless of who entered the order.

Just copy and paste the PO# in the Marketplace search field and click the purchase order in the drop-down list.



How can I tell which part of the PO was not fulfilled?

When you look at the PO in Marketplace, scroll down to the "Line Details" section of the order:



Under "Invoicing" it will say either, "Fully Invoiced", "Partially Invoiced", or "None".

Under "Matching", it will say either "Fully Matched", "Partially Matched", or "No Matches".

If the fields do **not** say, "Fully Invoiced" and "Fully Matched" those are the line items that have not been invoiced and the PO cannot be closed which causes the encumbrance. Those reasons include:

1. The item price decreased.
2. The item price increased.

3. There was a substitute item(s) that had a different price.
4. The item hasn't shipped yet.
5. A different quantity was shipped than the quote/invoice have on it.
6. The supplier's invoice is incorrect.
7. *The order was for \$10,000 or more and has not been received.

If it says, "Fully Received" and "Partially Invoiced" that means the price was less than the original cost, but the item was delivered.

How do I fix this and close out the order?

First, take a look at the order and see if you have everything you need. If you do, follow the instructions below.

A. If the encumbrance is caused by a **pricing issue (price increase/decrease/substitute item)** use the instructions below to contact Change Order.

Image not found or type unknown



B. If the quantity is **more (or incorrect)** than the original order/invoice, you will need to get an updated invoice from the vendor and add it to the PO in Marketplace by making a comment and attaching the new invoice. Comment: "Attaching updated invoice with increased quantity to close out the PO". Once this is complete, use the instructions below to contact Change Order. See below.

Image not found or type unknown



Image not found or type unknown



C. If the **quantity** is **less** than ordered/invoiced, you will need to get a **Credit Memo** (refund) from the vendor showing the amount of the refund being issued. Use the same method above to make a note and attach the **Credit Memo** to the PO. Comment: "Attaching Credit Memo for reduced quantity to close out the PO". Once this is complete, **use the instructions below to contact Change Order.**

image not found or type unknown



D. For an order costing **\$10,000 or more** it needs to be received before it can be closed out. To receive an order, click the three dots in the top right corner of the PO and then click "Create Receipt".

image not found or type unknown



Next click "Create Quantity Receipt".

image not found or type unknown



Then click "Complete". Your item has been received and there is no need to [email Change Order](#).

Send Email to Change Order (needed for all except \$10K+ encumbered POs)

If you have received everything you need, and you are not waiting for something else, a Change Order will need to be placed. Please send an email to changeorder@cu.edu notifying them everything has been received and ask them to close the PO. Please see the example below:

image not found or type unknown



Template to copy and paste:

Email: changeorder@cu.edu

Subject: Change Order - Please Close PO# [enter number here]

Message:

- “ Change Order,

We have received everything for PO# [PO# Here] and need to close the order to remove the encumbrance. [Enter issue and resolution. See list below]

Thank you for your assistance.

Example: The invoiced amount is [enter \$ amount] more than the original invoice. Please update the order to [enter amount so it matches] and close out the PO to release the encumbrance.

Revision #3

Created 30 April 2024 15:27:45 by Matthew Witt

Updated 30 April 2024 21:34:11 by Matthew Witt