Agenda

• Encumbrances vs. Expenses
• Closing Purchase Orders
• Q & A
Encumbrances vs. Expenses
Commitment related to open purchase orders represents an *encumbrance* until either:

- The invoice related to the goods or services has been approved, which triggers recording the related expense; or
- The purchase order is *closed*, which relieves any remaining encumbrance.
Closing Purchase Orders
Scenario

- Catered Meal for Upcoming Reunion
- 150 Invited
- $1500 Purchase Order
- 125 RSVP
- Actual Cost: $1250
- Need: Close the PO to relieve the encumbrance
Closed vs. Finally Closed

• Procurement Requester cannot close a PO
• Request to close should be sent to purchasingservices@Vanderbilt.edu
• Status will then be set to “Finally Closed”
• Purchasing Services currently updating appropriate “Closed” PO’s to “Finally Closed”
Where to Find Order Status
Procure-to-Pay User Group

September 27, 2019