

# TEXAS A&M UNIVERSITY-KINGSVILLE

Title: End of Year Cleanup

Procedure No.: PP-305

Date: 6/20/2006

Page No: 1 of

## I. Purpose

To establish the procedure for liquidating erroneous encumbrances before the close of the fiscal year.

## II Scope

This procedure applies to all items listed on the FBMR009 report.

## III. Responsibility

The Director of Procurement and General Services is responsible for implementation of this procedure. Responsibility for taking action crosses all departments. The Office of Procurement and General Services and the Office of the Assistant Vice President for Finance and Administration have the authority and responsibility to liquidate erroneous orders as identified by their respective offices.

## VI. Procedure

The process for reviewing outstanding encumbrances and taking action on erroneous orders is accomplished in several steps. The process is described in chronological order.

March: A notice is sent to all departments to review Screen 21 and take appropriate action to complete outstanding orders. Actions may include contacting the Vendor for shipment and invoicing, processing invoices for payment, or cancelling the order.

April: A second notice is sent to the departments review all orders and to take action to complete P docs older than 4 months and L docs older than 30 days.

May: The Office of P&GS shall download the FBMR009. The spreadsheet will be sorted and divided among P&GS and AVPFA staff to take action on specific items. Generally, P&GS will be responsible for all P docs (C, P, W, S, and R prefixes). AVPFA will be responsible for all L docs, Salary, Benefits, Travel, and Central Office encumbrances. During this cleanup period, specifics lists will be sent to departments to take action.

June: P&GS will divide the FBMR009 report into action items for each specific P&GS and AVPFA employee. Administrative staff will attempt to work with departments in resolving orders.

Recommended Emphasis for Sort and Clean Steps for June FBMR009.

L Docs:

- 1) Sort by Department Name: Send list of outstanding order to each department and request that they take action
- 2) Sort by Vendor Name. Some companies like DHL and Enterprise Car Rental have a record of invoicing problems. The responsible staff employee should work closely with the Vendor and the Department to ensure that payments have been made or are made immediately. Erroneous orders should be completed on Screen 243, 256 or 226 as appropriate.
- 3) Sort by L doc number or Last Activity Date. Work on oldest orders first. If orders older than 3 months cannot be confirmed as valid, order should be completed or cancelled.

August: P&GS & AVPFA will take unilateral action on old orders that cannot be confirmed as being valid.

Recommended Emphasis for Sort and Clean Steps for August FBMR009.

L Docs:

- 1) Sort by Vendor Name. Some companies like DHL and Enterprise Car Rental have a record of invoicing problems. The responsible staff employee should work closely with the Vendor and the Department to ensure that payments have been made. Erroneous orders should be completed on Screen 243, 256 or 226 as appropriate.
- 2) Sort by L doc number or Last Activity Date. Work on oldest orders first. If orders older than 3 months cannot be confirmed as valid, order should be completed or cancelled.
- 3) Liquidate erroneous orders: Goto 243 and attempt to Delete doc. If deletion option is denied, then Complete doc. (Docs with partial payment cannot be deleted; therefore, they must be Completed.)

P & R Docs:

- 1) Sort documents by order. number. Work on oldest Requisitions and P.O.s first. Consideration should be given to the following:
  - a. Service Orders cross fiscal years. Many orders have a payment in September or October and no further payments until next fiscal year.
  - b. Copier Agreements: Many copier P.O.s are for multiple years. Some copier agreements expire mid year but are held open for final billings. All copier orders with no activity for more than 2 months should be considered for completion.
  - c. Master Orders. The University should attempt to create non-encumbering Master Orders. At this writing, there are several old master orders that are

encumbered for small amounts to hold the order open. These orders should be examined carefully before completing.

- 2) Once an order is identified for completion use these steps.
  - a. R Docs: Goto 258 and Reopen doc and then Delete doc. If access is denied, call department creator to delete doc.
  - b. P Docs: Goto 228 and attempt to Delete doc. If access to Delete is denied, attempt to open doc and Delete all items. If access is still denied, Complete doc.