



Greetings,

The Budget Office wanted to make you aware of a new administrative procedure that provides guidance on how purchase orders will be handled at year end. This information was previously discussed at the yearend close meeting and now has been formalized into a procedure. The full administrative procedure, which includes the transfer form, can be found on the [budget office website](#).

Designated/Restricted/Grant Operating Funds Source

At the FY 2018 year-end, any open purchase order dated June 30, 2018, or before with a remaining encumbrance amount will be rolled forward. Any unspent funds in the Fund Source will also roll forward and will be included in the FY 2019 Beginning Year Net Position (Natural Account 30002).

Unrestricted Operating Funds

The below process outlines how purchase orders on unrestricted operating funds will be managed.

1. At the year-end, any open purchase order dated June 30, 2018 or before with a remaining encumbrance amount will be rolled forward to the FY 2019 Unrestricted Operating Fund Source.
2. FY 2018 funds encumbered through an open purchase order will be distributed into a centralized purchase order reserve account.
3. If the remaining encumbered amount exceeds \$5,000.00 per purchase order, a like amount of funds up to the actual invoiced amount will be returned to the organization from the centralized purchase order reserve account upon request, using the Transfer for Previous Year Encumbrances Natural Account 77403.
4. Requested funds for remaining encumbered amounts \$5,000.00 or below will be reviewed on a case-by-case basis.
5. All requests for funds must be received by the Budget Office no later than September 30, 2018.

Please contact the [Budget Office](#) with questions.