**How to Review Open Encumbrances (non-subcontract)**

1. Run an Open Encumbrance report in BEN for your DEPT, ORG and/or Fund.
2. Look up each po with an outstanding encumbrance in the PO Manger: View/Control PO
	1. Review Header information for vendor name, total PO amount, Closure Status, Matched Amount, and Requestor
	2. Take screenshot of all PO Line details and paste into word.

CALIFORNIA FINE WIRE CO PO$1,110.00 Matched $0.00 Open SCHNOLL, JORDAN



* 1. Repeat for all po’s on open encumbrance report
1. Look up all invoices in the PO Manager: Invoice Inquiry
	1. Enter the PO number and then Find to pull all invoices for a purchase order.
	2. Review each invoice’s MarkView Printout
		1. Look for credits/returned items.
		2. Notes/comments on discontinued items
		3. Comments/Expected delivery dates for outstanding items.
		4. Changes in price per item, was there a discount given?
		5. Variance in quantity (does 1 case equal 10 boxes in volume/price?)
2. Email Requestor (if applicable)
	1. If no invoice submitted, was the item received?
		1. If yes, did they get an invoice or can they request an invoice from the vendor
	2. If individual item(s) not invoiced were they received, discontinued, canceled by the lab/vendor?
		1. If discontinued/canceled, cancel po line with appropriate explanation with contact name
			1. In Vie/Control PO, Find PO
			2. Open Lines, Arrow down to correct line to be canceled
			3. From the Menu Bar, select Tools > Control
			4. Select Cancel PO line, enter a reason and a note to supplier (often the same)

\*You cannot cancel a line that has been invoiced nor invoiced and credited.

* 1. If stated on backorder, is the item still needed and can we wait or should it be canceled and ordered from a different vendor (if not already done so)?
	2. If an item was returned, why? Was it damaged or the wrong item? Will it be resent/corrected under the same po or will/was a new po be processed for the replacement item?
		1. If not replacement will be received and billed for on the original PO, email dofapsup@upenn.edu to request AP to finally close the original PO.
			1. Provide the PO number
			2. Vendor Name
			3. Buyer Name
			4. Explanation that items were returned for a credit. If applicable, all other items received and paid for.
1. Email Vendor (if Buyer not available/unresponsive)
	1. Repurpose questions 4a-4d from the vendor’s perspective (was it shipped, request copy of invoice, discontinued, returned, …)
2. You should ONLY request a PO be finally closed if there will be no more invoices against the po, there is a new po for any outstanding items, the vendor confirms there are no outstanding invoices. This process cannot be undone. Change of account number and lack of confirmation of outstanding items/invoices is insufficient. Allow for invoices to be charged and then correct to current/correct funding source. Prematurely finally closing a po can result in vendor sending duplicate items, invoices being requested by AP, true encumbrances not be correctly accounted for.

163/164 Open Encumbrance Report Comments:

* Lines with an \* at the end have a systematic accounting issue. Often due to a credit or mismatched invoice to po lines. If all items received and invoices, and total invoiced amount = po amount, AP will need to finally close the po. See item 4d for requesting a po finally be closed.
* Review lines with last action date great than 3 months old. This often reflects item(s) discontinued or canceled by a lab/vendor. See 4c
* Review encumbrances for grants ending within 3 months to ensure all appropriate invoices are received and processed timely.