

SAM—STANDARD ENTRIES

ENTRY NO. 2

10502

(Revised 5/87)

Nature of Transaction:

Materials, supplies and equipment are ordered, capital outlay projects are authorized, services are contracted for or estimated, and employment of personnel is provided for by extending authorized positions or establishing positions. As a consequence, budget allotments are encumbered for the estimated amount of these future expenditures.

Journal Entry for General Ledger Accounts:

Debit:

6150 Encumbrances

Credit:

5350 Reserve for Encumbrances

Source:

Documents:

Purchase Estimates
Printing Requisition—Invoices
Payroll Estimates
Leases
Standard Agreements
Lag Encumbrances
Sub-purchase Orders
Public Works Project Authorization and Transfer Requests
Sundry Encumbrance Documents

Register:

Estimates Register or Journal Entry made from tape of batch control sheets which were prepared to control postings to the Allotment-Expenditure Ledger.

Explanation:

The recordation of encumbrance documents is the initial step in the accounting of expenditures. As encumbrance documents are recorded, the unencumbered balances of allotments are reduced. In this way budgeted funds are "earmarked" for payment of proposed expenditures and control over these expenditures is exercised by agency executive officers.

Note:

The purchase estimate, while not considered a legal obligation, is used as a source document for recording encumbrances. Adjustments to amounts encumbered by purchase estimates may be made as necessary to account for differences between the purchase estimate and the Purchase Order issued by the Office of Procurement, Department of General Services. Claims arising from purchase estimate encumbrances will be paid by the State Controller only if the Purchase Order is issued and dated prior to the date the appropriation availability ceases.

(Continued)

SAM—STANDARD ENTRIES

(Continued)
ENTRY NO. 2)
 (Revised 5/87

10502 (Cont. 1)

ESTIMATES REGISTER

| Estimates Issued and Adjusted | | | |
|-------------------------------|--------------------|---------|---------|
| Date 19__ | Estimate Number | Amount | |
| 4-28 | 1123 | 120.00 | |
| | 24 | 240.00 | |
| | 25 | 70.00 | |
| | 26 | 90.00 | |
| | 27 | 1120.00 | |
| | 1056 Adj.* | 30.00 | |
| | 1074 Adj.* | -10.00 | 1660.00 |
| 4-29 | 1128 | 340.00 | |
| | 29 | 260.00 | |
| | 1130 | 80.00 | |
| | 31 | 970.00 | |
| 4-30 | 1091 Adj.* | 120.00 | 1770.00 |
| | 1132 | 430.00 | |
| 4-30 | 33 | 250.00 | |
| | 34 | 110.00 | |
| | 35 | 70.00 | |
| | 1101 Adj.* | -40.00 | |
| | 1117 Adj.* | 50.00 | 870.00 |
| | | | 4300.00 |

*Estimate adjustments (except those made pursuant to Section 8340 adjusting for differences between estimates and purchase orders) will not be recorded in the Estimate Register if the alternate procedure of recording estimates in the Claims Filed Register as noted in Entry No. 3 is followed.