

SAM—STANDARD ENTRIES

ENTRY NO. 2 – [ENCUMBRANCES] (Revised 10/2015)

10502

This entry is made to reserve budgeted funds for payment of future expenditures.

Information:

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.

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 department's 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 Procurement Division, Department of General Services. Claims arising from purchase estimate encumbrances will be paid by the State Controller's Office only if the Purchase Order is issued and dated prior to the date the appropriation availability ceases.

Source Documents:

- Purchase Estimates
- Publishing Order
- Payroll Estimates
- Leases
- Standard Agreements
- Lag Encumbrances
- Sub-Purchase Orders
- Other Encumbrance Documents

Register:

Encumbrances will be recorded individually in the Allotment-Expenditure Ledger or Operating File (CALSTARS) for the appropriation.

Journal Entry for Encumbrances:

Debit: 6150 Encumbrances
Credit: 5350 Reserve for Encumbrances

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(Continued)

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10502 (Cont.1)

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ENCUMBRANCE REGISTER

DOC. NO.	FY	VENDOR NAME	ORIGINAL ENC.	ADJUSTMENT	PAYMENTS	BALANCE
0001	14	TECHNOLOGY CORPORATION	31,400.00	0.00	-4,686.58	26,713.42
0002	14	PBD INC	5,360.28	-300.00	-3,337.72	1,722.56
0003	14	PBD INC	32,379.00	0.00	-162.00	32,217.00
0004	14	ABC CORPORATION	13,125.00	0.00	-9,256.25	3,868.75
0005	14	BUSINESS SYSTEMS INC	44,894.44	0.00	-184.82	44,709.62
0006	14	AMERICAN INC	4,999.99	-2,500.00	-300.00	2,199.99
0008	14	INTERAGENCY AGREEMENT-DEPT 1234	3,400.00	0.00	-3,000.00	400.00
0010	14	HUMAN RESOURCES	17,500.00	0.00	-11,906.50	5,593.50
0012	15	INTERAGENCY AGREEMENT-DEPT.5678	1,500.00	0.00	-65.00	1,435.00
0013	15	INTERAGENCY AGREEMENT-DEPT.1234	3,500.00	-400.00	-225.00	2,875.00
0014	15	LEGISLATIVE SERVICES	5,150.00	-850.00	-1,200.00	3,100.00
0016	15	LEGAL SERVICES	1,625.00	0.00	0.00	1,625.00
0017	15	DATA COMPANY INC	4,999.99	-1,500.00	-469.96	3,030.03
0018	15	RECYCLING SERVICES	2,596.00	0.00	-532.00	2,064.00
0019	15	BUSINESS ENTERPRISES INC	11,000.00	0.00	-350.00	10,650.00
0020	15	ERGONOMIC EQUIPMENT	3,700.00	0.00	-290.00	3,410.00
0021	15	LOCKWORK SECURITY	4,999.00	0.00	0.00	4,999.00
0023	15	COMMUNICATIONS CORPORATION	4,999.99	-500.00	-97.50	4,402.49
0024	15	BUSINESS SYSTEMS INC	16,932.80	8,066.40	-21,199.89	3,799.31

Illustration 10502