

Prepared by the Disbursing Office
This replaces Administrative Procedure No. A8.841
dated July 1996

A8.841
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A8.800 Disbursing/Accounts Payable and Payroll

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A8.841 Miscellaneous Encumbrances

1. Purpose

To provide administrative procedures to record, delete, process payment for, and change miscellaneous encumbrances.

2. Definitions

a. Encumbrances - Encumbrances are current fiscal year obligations in the form of Purchase Orders or Contracts and other commitments properly chargeable to an appropriation and are recorded in order to reserve a portion of the applicable appropriation.

b. Miscellaneous Encumbrances - Miscellaneous encumbrances are commitments of funds to cover valid current year requirements which cannot be routinely encumbered in the fiscal system through the use of the above mentioned standard documents. The Miscellaneous Encumbrance Form (FMIS-35) (Attachment 1) is used to record, delete and change miscellaneous encumbrances.

3. Responsibilities

a. Each Campus/Department Office is responsible for submitting separately by campus code the Miscellaneous Encumbrance Form (FMIS-35) to the Disbursing Office to record, delete, or change miscellaneous encumbrances. Each Campus/Department Office is also responsible for properly preparing and submitting the various payment documents to the Disbursing Office to process payments (and the related deletion of encumbrances) against miscellaneous encumbrances.

- b. Fiscal Officers and Program Managers (Approving Authority) who approve payments on miscellaneous encumbrances are responsible for compliance with applicable Federal and State laws, rules, regulations, and University policies and procedures.
- c. The Disbursing Office is responsible for auditing Miscellaneous Encumbrance forms and payment documents to facilitate the proper recording/deletion of miscellaneous encumbrances and the processing of related payments.

4. Guidelines

- a. The Miscellaneous Encumbrance form is used to reserve funds for known incurred commitments where payment will occur in a future fiscal period. This form should not be used to circumvent the proper use of other documents, such as the Purchase Order and Contract Encumbrance and Payment forms.
- b. For student help, casual and overload (F1-F4) payroll encumbrances at year end, the Miscellaneous Encumbrance form (FMIS-35) should not be used to encumber June 16-30 payroll (paid on July 20). The General Accounting and Loan Collection Office will mechanically encumber and subsequently mechanically delete these amounts based on the completed scan sheets submitted to the Payroll Office by the established year end deadline.
- c. Miscellaneous encumbrances should cover valid current year requirements. Listed below are examples and their corresponding document number to use on the FMIS-35 form.
 - 1) Interdepartmental charges Exxxxxxx
(i.e., payroll related, overtime, night differential, etc.; service/supplies from Auxiliary Services, Facilities Management, Bookstore, & Computer Center)
 - 2) Library purchases of books & periodicals Lxxxxxxx
Hamilton/Sinclair Libraries

All other libraries	Kxxxxxxx
3) Mileage	Mxxxxxxx
4) Relocation	Nxxxxxxx
5) Student fellowship & traineeship	Fxxxxxxx
6) Travel reimbursements (not including travel advances)	Txxxxxxx
7) Utilities	Axxxxxxx
8) Departmental checking system (DCS)	Yxxxxxxx

d. The fiscal officer is required to sign and date the completed form to certify fund availability and compliance with procedures.

5. Procedures

a. Initial Recording

- 1) Campus/department offices are to prepare and complete the Miscellaneous Encumbrance form by campus code in accordance with the detailed instructions provided in back of the Miscellaneous Encumbrance form, FMIS-35 (Attachment 1).
- 2) All payroll miscellaneous encumbrances (object codes 2000 to 2899) (Attachment 2) and interdepartmental encumbrances (object codes 3000 to 9999) are to be listed on separate documents from the other types of miscellaneous encumbrances (AXXXXXX, TXXXXXX, MXXXXXX, etc.) (Attachment 3). In addition, the payroll miscellaneous encumbrances are to be further segregated (on separate documents) by the following categories:
 - a) D-55 form for regular employees (overtime night differential, split shift, stand-by, etc.), SF10/UH Form 54 (temporary assignments), and meal allowances for regular employees.

- b) D-55 form and meal allowances for emergency hires; payroll numbers F6N, F60.
- c) All others, including Form G2 (accumulated vacation pay) and PNF forms for initial hires and retroactive payments.

NOTE: Please note in Attachment 2 that the small box above the department name must contain the type of fund (i.e., G,S,R,P fund types) and the 3-digit number representing the University appropriation code. The right side of the department name must also contain the payroll number Fxx. Use separate FMIS-35 forms for each type of payroll number codes.

- 3) The campus/department office is to submit the original FMIS-35 to the Disbursing Office and maintain a file copy for future reference and payment.
 - a) Submit the FMIS-35 no later than the established quarter end or year end deadlines stipulated by Central Administration.
 - b) For encumbering of interdepartmental charges, at year end only, forward one additional copy of the FMIS-35 to the respective serving department (e.g., Auxiliary Services, Facilities Management, etc.). This is to safeguard against double encumbrances.
- 4) Library purchases of books and periodicals (at year end only) of \$2,500.00 or less are paid through the departmental checking account and may be processed as a miscellaneous encumbrance if the replenishment request cannot be processed by fiscal year end. Purchases in excess of \$2,500.00 are paid through the library (non-standard) purchase order and may be processed as a miscellaneous encumbrance using the library purchase order number (in place of the Exxxxxx number) if the purchase order cannot be processed for payment by fiscal year end (i.e., Lxxxxxx format for Manoa library - Hamilton and

Sinclair and Kxxxxxx format for Manoa law library purchase orders).

- 5) Account code/subcode are required on the FMIS-35 for all initial recordings of miscellaneous encumbrances.
- 6) The Disbursing Office will audit the FMIS-35 and initiate processing of the miscellaneous encumbrance if appropriate.

b. Changes

1) Changes to Amounts

Changes to encumbrance amounts previously recorded may be initiated by processing another Miscellaneous Encumbrance form (FMIS-35) that reflects the amount to be added or deleted (deletion amounts in brackets). All other information should be the same as the original entry.

2) Changes to Other Information

Changes to any other information (e.g., account code, object symbol, etc.) must be processed as a completely new entry on a FMIS-35 and accompanied by a separate FMIS-35 to delete the original entry. Both forms are to be submitted to the Disbursing Office together with a note attached explaining the requested change. This is required because the Disbursing Office must ensure that the deletion request is processed before the correction entry.

NOTE: Changes cannot be processed for prior fiscal year miscellaneous encumbrances (keep and create funds).

c. Deletions

Deletions of miscellaneous encumbrances are processed manually or automatically through payment documents.

1) Manual Deletion:

- a) Manual deletions of miscellaneous encumbrances (partial or total) may be required in some situations (e.g., payment document not coded for automatic deletion. Payroll and interdepartmental transactions that require a journal voucher).

If the manual deletion is related to a payroll and/or interdepartmental transaction, the deletion FMIS-35 must be processed immediately after the transaction has been processed to reflect true encumbrance and allotment balances of a particular period. In these situations, the manual deletion document is to be attached to the related transaction document and submitted to the Disbursing Office or General Accounting and Loans Collection to ensure proper processing (timing of transactions).

- b) The manual deletion is processed on the FMIS-35 by:
- i) Marking the "Deletion" (credit) box.
 - ii) Entering the same data on the miscellaneous encumbrance as reflected on the original entry.
 - iii) Indicating the encumbrance amount to be deleted in brackets [].
 - iv) Providing the reason for the action.
 - v) Providing the fiscal officer's approval signature.

2) Automatic Deletion:

Payment documents require P/F indicator coding to automatically delete encumbered funds related to specific document numbers assigned on miscellaneous encumbrances during the payment processing. Refer to section 5.d.2 of this procedure for details. Journal vouchers processed for interdepartmental charges will automatically liquidate miscellaneous

encumbrance if the miscellaneous encumbrance document number (EXXXXXX) is referenced on the journal voucher (refer to GALC procedures).

d. Payment Processing on Miscellaneous Encumbrances

1) Payroll and Interdepartmental Transactions:

The applicable payment documents are to be used to process payments on miscellaneous encumbrances. To initiate automatic deletion of miscellaneous encumbrances for payroll payments, it is critical that manual deletion procedures be properly executed.

The Miscellaneous Encumbrance document is to be attached to the related payroll payment document and submitted to the Payroll Office to ensure proper charging of the prior year account and deletion of the miscellaneous encumbrances. This is especially critical because certain prior year payments on miscellaneous encumbrances cannot be distinguished from current year payments unless the deletion (FMIS-35) form is attached.

2) Direct Payment Transactions:

Submit the appropriate direct payment document (AFP, automobile mileage form, etc.) with the appropriate "AXXXXXX", "MXXXXXX", etc. document number and matching key items (listed below).

a) The following key items in the payment transaction must be identical to the miscellaneous encumbrance transaction to automatically delete the encumbrance amount.

i) document number

ii) account code (in cases where the account code has changed due to the new fiscal year, use the account code (i.e., 135666) in which the encumbrance is recorded)

iii) object code

b) To automatically delete miscellaneous encumbrances, P/F/N indicator is to be coded either with a "P" for partial payment or a "F" for final payment. If a "Partial" payment is indicated, any remaining encumbrance balance will be retained. If a "Final" payment is indicated, the remaining encumbrance balance will be deleted.

In cases where the actual final payment is greater than the encumbered amount, the overage must be charged to another account code. The payment amounts are to be separated between the amount charged to the prior year account code (miscellaneous encumbrance account code) and the amount charged to the current year account code on the same payment document.

6. Availability of Form

A PDF fillable Miscellaneous Encumbrance form (FMIS-35) is available on-line at www.fmo.hawaii.edu/fmis/formfair.html

UNIVERSITY OF HAWAII
 FORM INSTRUCTIONS
 MISCELLANEOUS ENCUMBRANCE FORM (FMIS-35)

PURPOSE: To properly record or delete miscellaneous encumbrances.

COMPLETION INSTRUCTIONS

All fields must be completed unless noted as optional. Shaded items represent information to be completed by Disbursing. Refer to APM A8.841 for detailed policies and procedures.

CAMPUS Enter campus code. Refer to Table A12.099.

DATE Enter date form prepared.

DEPARTMENT Enter department name.

ENCUMBRANCE/DELETION Check the appropriate box.

ACCOUNT CODE Enter 6-digit account code.

SUBCODE Enter 4-digit subcode.

TYPE Predefined.

DOCUMENT NUMBER Enter 6-digit document number after an alpha prefix (e.g., A, T, F, G, E). First 3 digits, 3-digit Fiscal Officer code. Last 3 digits are sequential control number assignment. The miscellaneous encumbrance number should be the same document number that will be used to process payments. Use the "E" prefix for payroll and interdepartmental charge encumbrances.

DOCUMENT DATE Enter document date.

DESCRIPTION (VENDOR NAME) Enter vendor name.

SOCIAL SECURITY NUMBER Enter individual's social security number

AMOUNT Enter amount to be encumbered or deleted.

REASON FOR ENCUMBRANCE/ REASON FOR DELETION Enter reason for encumbrance (e.g., document number, description of goods or services and period covered) or reason for deletion.

SIGNATURES Signatures and dates are required by individual preparing form and Fiscal Officer.

Submit original Miscellaneous Encumbrance Form to the Disbursing Office after approvals have been obtained.

**UNIVERSITY OF HAWAII
MISCELLANEOUS ENCUMBRANCE FORM**

(Shaded items represent information to be completed by Disbursing.)

CAMPUS: SW

DATE: 05/01/06
(MM/DD/YY)

Encumbrance (DEBIT) Deletion (CREDIT)

Check the appropriate box:

ACCOUNT CODE	SUBCODE	TYPE	DOCUMENT		DESCRIPTION (VENDOR NAME)	SOCIAL SECURITY NUMBER	AMOUNT
			NUMBER	DATE			
134316	2001	0	E017301	05/01/06	Jones, William	589-22-7771	1,348.00
134316	2001		E017302	05/01/06	Lee, Joan	489-75-4478	2,750.00
134316	2030		E017303	05/01/06	Young, Richardson	576-41-5551	3,400.00
						Total	7,498.00

REASON FOR ENCUMBRANCE (Doc. No./Description/Period Covered) / REASON FOR DELETION:
E017301 - to encumber projected overtime for 06/15 - 30/06.

E017302 - to encumber projected overtime for 06/15 - 30/06.

E017303 - to encumber projected lump sum vacation payment.

PREPARED BY: _____ / / DATE

APPROVED BY: _____ / / DATE
FISCAL OFFICER F.O. CODE

UNIVERSITY OF HAWAII
MISCELLANEOUS ENCUMBRANCE FORM

(Shaded items represent information to be completed by Disbursing.)

CAMPUS: _____

DATE: 05/01/06
(MM/DD/YY)

Encumbrance (DEBIT) Deletion (CREDIT)

Check the appropriate box:

ACCOUNT CODE	SUBCODE	TYPE	DOCUMENT		DESCRIPTION (VENDOR NAME)	SOCIAL SECURITY NUMBER	AMOUNT
			NUMBER	DATE			
134316	3800	0	A056101	/ / 05/01/06	Hawaiian Telecom		250.00
134316	4140		M056300	/ / 05/01/06	Lee, Joan	489-75-4478	50.00
134316	4891		N056355	/ / 05/01/06	Young, Richardson	576-41-5551	3,400.00
134316	4540		T056407	/ / 05/01/06	Doe, Mary	574-66-1026	750.00
Total							4,450.00

REASON FOR ENCUMBRANCE (Doc. No./Description/Period Covered) / REASON FOR DELETION:

- A056101 - Utility charge thru 06/30/06.
- M056300 - Mileage reimbursement thru 06/30/06.
- N056355 - relocation allowance.
- T056407 - travel reimbursement.

PREPARED BY: _____ / / _____ DATE

APPROVED BY: _____ / / _____ DATE
 FISCAL OFFICER _____ F.O. CODE _____