

Differentiating Between Commitments and Encumbrances

A Tale of Two Terms
OK – Four Terms



When a *disbursement request* (check request) or a *department requisition* (request for purchase order) is entered into PantherNet, the funds to pay for this request are “committed”. That is, a portion of the budget is restricted to pay for the proposed expenditure. The dollar amount of the requests that were successfully entered appears on the General Ledger Income and Expense screens under the **COM/ENC** column. Your available budget is reduced by the amount requested. Because commitments and encumbrances are somewhat related, PantherNet has one column to report both types of restrictions. This may occasionally cause some confusion if one is unfamiliar with the combination. The collective total of *commitments* and *encumbrances* appears under this column for each general ledger code affected.

A disbursement request moves the dollar amount from the **Committed Column** to the **Actual Expense** column when it is made a payable by the Accounts Payable Department.

In the case of department requisitions, however, the dollar amount of the requisition **moves from a commitment to an encumbrance when the requisition is converted into a Purchase Order (PO)** by the Purchasing Office. **The encumbrance is then converted into an expense when it is made a payable by the Accounts Payable Department.**

The COM/ENC column shows the total of these budget restrictions. There are four plus signs at the bottom of each General Ledger Income and Expense screen. The second and third plus signs relate to

COM/ENC. If you place your cursor on the second plus sign and move up to the general ledger code you are interested in and hit enter, you will see all the commitment activity for the current month. The third plus sign relates to Encumbrances.

You can also run a report from **SQL**, a data management and analysis application, to view all open PO’s for your org. Try [Campus User Reports](#) and run PO Encumbrances for Org Number or User to see what PO’s are outstanding. Some PO’s may have small amounts open even though you may have received all items. This may be due to price changes or other variances in estimates. If that is the case, notify purchasing that the PO can be closed. Unspent funds would then be released back into that budget line item. ■

In This Issue

- Differentiating Between Commitments and Encumbrances
- The Foundation Purpose
- Central Receiving goes hi-tech!
- Important Payroll Dates - November 2008
- Helpful Hints: Do you want more budget available in your Org Unit?
- PCard Approvals, Unused Vendor Checks, Policies and Procedures Workshop
- Profile: Shirley King

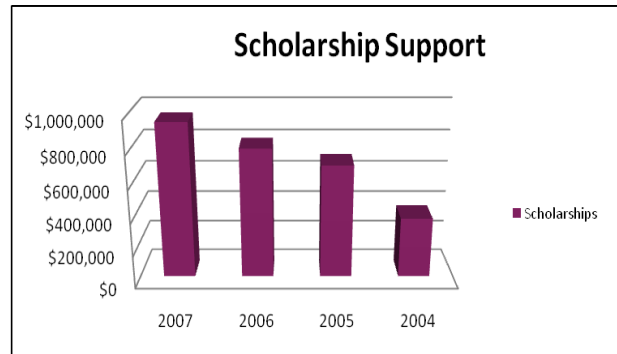
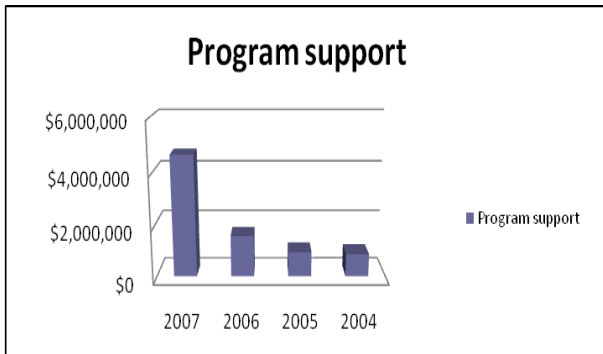


The Foundation Purpose

Many of us know of the existence of [PBCC's Foundation](#), but do we know its purpose? The "Foundation purpose" is to encourage, solicit, receive and

disburse gifts and bequests for the advancement of the College and its objectives. Advancement of the college objectives refers to two main areas: the support of college programs, and the granting of scholarships. The Foundation has accomplished a great deal in the

past few years and shows promise for even more substantial benefits in the years to come. The graphics below show the escalating contributions made by the Foundation to support the college and its objectives: the "Foundation purpose".



In the year 2007, only 8% of the Foundation's revenue went towards its own overhead costs. A small portion, (3%), went to fund raising expenses. The balance was spent largely on supporting the college.

Very often we are asked if the foundation can support a particular expenditure of a department or

program. It is not always easy to determine if a particular expense meets the "Foundation Purpose". To answer the question, we must address the source of the Foundation's funds. The Foundation is highly dependent on the philanthropy and generosity of the general public for its revenues. Continuity of future revenues can

only be assured by gaining the trust and admiration of the public.

We can now apply a simple rule to determine if a particular expense is worthy of Foundation support. Before we spend a single foundation dollar let us ask ourselves the question - how will the public perceive this expense? Will it bring us fame or shame? ■

Central Receiving goes hi-tech!

The electronic tracking/delivery system in Lake Worth is up and running. So when you see Calvin or Robert delivering packages on campus, they will be armed with signature pad scanners. This new system gives the Receiving

Department the ability to track packages, in real time, from receiving department to employees' offices, how it was delivered, by whom, and who signed for it. ■



Important Payroll Dates - November 2008

Pay Date	11/14/2008	11/26/2008
Cutoff for Assignment Changes to HR	November 4	November 17
Cutoff for Direct Deposit Changes	November 6	November 18
Time & Attendance Due in PantherNet	November 7	November 19
Pay Period for Full-time & Salary Employees	Nov 1-15	Nov 16-30
Pay Period for Adjunct Salary Employees	Nov 1-15	Nov 16-30
Pay Period for Hourly Employees	Oct 24 - Nov 6	Nov 7-18
Overtime to be paid for dates worked	Oct 11-31	Nov 1-14



The college will be closed on November 11 for Veterans' Day and on November 27-28 for Thanksgiving.

We will be running your W-2's for 2008 about 2 months from now. Since we are required to mail the forms, now would be a great time to make sure your address is correct. You can easily and conveniently change your address, telephone number, and emergency contacts online by logging on to your home page on the Employee Web at <https://www.pbcc.edu/x5727.xml> and clicking on "Change Contact Info".



College Café Menu for [November 08](#).

Helpful Hints: Do you want more budget available in your Org Unit?



During these times when each budget manager is having to scale back their expenditures, you can help make more budget available to you by closely monitoring your open Purchase Orders. We now have a report available to you on the Finance Internal Web Page for Campus User Reports (<http://www.pbcc.edu/x14943.xml>).

This report will show you open purchase orders that are holding funds in a specific org unit. By reviewing your Open Purchase Order Report on a monthly basis,

you can determine if items need to be cancelled, closed or paid. Then you would follow through with each Business Services Department to have the changes reflected in your org unit. Contact the [Purchasing Department](#) for any items that need to be cancelled or closed. Contact the [Accounts Payable Department](#) for any items that need to be paid. ■

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PCard Approvers:

Supervisors need to check their approval queues on a daily basis. (PantherNet path **FI – AS – AS**) PCard transactions can go through as many as six approvers before making it to the Finance Department. Any delays in payment could cause the college to incur late fees. Please do your part to help expedite this process.

You wanted to present the check personally but your guest speaker cancelled?

1099 Misc forms will be mailed in January to all individuals who performed services for the College in 2008 that were paid as vendors. Now is the time to check your desk drawer for unused checks and forward them to the [bookkeeper!](#)

Policies and Procedures Workshop

Everyone is encouraged to attend the “Policies and Procedures” workshop on November 19th, 8 a.m. - 12 p.m. in room CE119. There will be extended information regarding P-Card and Travel as well as Questions and Answer time. All are welcome, not just Supervisors.

Profile: Shirley King

The Finance Department welcomes Shirley King as the newest member of the [Grants and Restricted Accounting Department](#). Under the supervision of Malraj Sugathapala, she joins Jane Mills, Grants Accountant, and Margaret Jones, Foundation Accounting Specialist, to round out the team.

Although new to the college, Shirley has worked previously in other educational venues, both in Connecticut and more recently at the School District of Palm Beach County. She brings with her a

wealth of experience that will be greatly appreciated.

Shirley is now responsible for independently funded grants. She will also be working on Fund 5 scholarship accounts and special projects with the Foundation.

Welcome Shirley !

[Contracts and Grants Accounting](#) (MS #26)

Phone: 868-3928 or dial 1-3928 internally. ■

