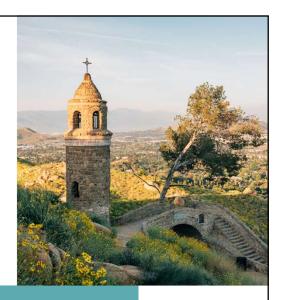
# FY 2023 YEAR-END TRAINING

SCHEDULE K AND K-1 ENCUMBRNACES



AUDITOR-CONTROLLER'S OFFICE Presented By: Esteban Hernandez



2023 YEAR-END TRAINING

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## What is an Encumbrance?

- ✓ An encumbrance is a special type of accounting transaction that anticipates a <u>future</u> expenditure from commitments related to contracts not yet performed, and purchase orders not yet filled.
- ✓ Funds are encumbered, or set aside, in a particular appropriation budgetary account for a specific future purpose.
- ✓ Encumbrances are used to control expenditure commitments for the year and to enhance cash management.
- An encumbrance is the first part of a three-part process for purchasing and paying for goods or services. (The other two parts are the Accounts Payable process and the Cash Disbursements process).

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2023 YEAR-END TF

# What are the advantages of using an Encumbrance System?

- An encumbrance requires that proper authorization must be obtained before a purchase takes place and before a financial commitment occurs.
- ✓ An encumbrance system is proactive rather than reactive since the Executive Office and the Board of Supervisors can approve, question, or if necessary, pre-empt a potential commitment of funds from taking place before a legal liability is incurred.

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2023 YEAR-END TRAINING

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# What are the advantages of using an Encumbrance System?

✓ An encumbrance approval system recognizes budgetary constraints. By ensuring that the available balance in a budgetary account is sufficient to allow the purchase commitment, the organization is prevented from over-spending before the commitment takes place. If a budgetary account lacks sufficient funds to place the encumbrance, management can take steps to adjust or revise its budgets if it wishes to move forward with the purchase.

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## Schedules K and K-1 Request For Encumbrances

Only commitments with currently available budgeted appropriations can be encumbered. Requests for Encumbrances cannot exceed approved Net County Cost.

**Approved Net County Cost** 

**Actual Net County Cost** 

Budgeted Appropriations
Less: Est. Dept. Revenues

Actual Expenditures
Less: Actual Dept. Revenue

= Budgeted Net County Cost

= Actual Net County Cost



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## Schedules K and K-1 Request For Encumbrances

We use two schedules to document and record an Encumbrance

Schedule	Purpose
Schedules K	Purchase Orders Only
Schedules K-1	Contracts, Form 11s, MOUs, Form 5s, H-11s

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2023 YEAR-END TRAINING

### Schedules K Request For Encumbrances

**Events/Transactions Not Qualifying For Request For Encumbrances:** 

- ✓ Goods or services received prior to or on June 30
  - These become liabilities
  - Pay through PeopleSoft by August 11, 2023 or
  - Accrue on Schedule A, G, or I
- ✓ Undelivered goods or services as of June 30 that are less than \$5,000
- Requisitions are requests and Estimates are just an estimate and neither qualify as a commitments or obligations.

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2023 YEAR-END TRAINING

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# Schedules K - Request For Encumbrances

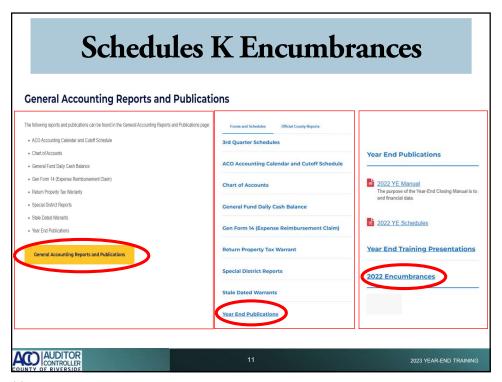
#### **PO Rollover**

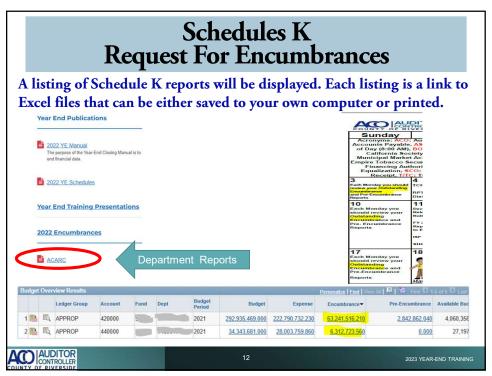
✓ Please let Helga Schweitzer <a href="hschweitzer@rivco.org">hschweitzer@rivco.org</a> know ASAP if your department for whatever reason wants to be excluded from the PO Rollover Process. Please note that this is regarding the regular PO Rollover process that will take place on June 30th, NOT the Blanket PO Rollover.

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	Se	chedules Encu	K - Request For imbrances	
<u> </u>	PO Rollover The PO Types	that are includ	led in the PO Rollover are:	
	PO Type	PO Type Code	PO Type Description	
	ELVPO	ELVP	Extended Low Value PO	
	ELVPO-S	ELVS	Extended LVPO Services	
	FinPurch	FIN	Finance Purchase	
	LeasePymts	LEAS	Lease Purchase	
	LVPA-S	LV-S	Low Value PO Services	
	LVPA	LVPA	Low Value Purchase Authorization	
	Regular-G	REGG	Regular PO Goods	
	Regular-S	REGS	Regular PO Services	
	Sole Src-G	SS-G	Sole Source Blanket Goods	
	Sole Src-S	SS-S	Sole Source Blanket Services	
<b>v</b>	The PO mus	t have a Status	of Dispatched or Pending	Approval
AC	AUDITOR CONTROLLER LY OF RIVERSIDE		9	2023 YEAR-END TRAINING







## Schedules K Request For Encumbrances

- ✓ Save your Business Unit to your Computer
- ✓ There will be a tab for each of the reports:
  - RVPOA621D ~ Sorted by Business Unit, Dept ID and Account (Summary)
  - RVPOA621B ~ Sorted by Business Unit, PO, and PO Description (Detail)

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2023 YEAR-END TRAINING

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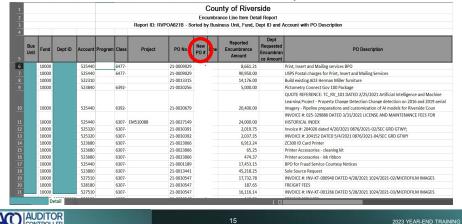
# Schedules K (Summary) Report

This is an example of what your Summary Schedule K report RVPOA621D will look like.

Business Unit	Fund	Dept ID	Approp	Total	Dept Approve Amount
	10000		Approp 2	139,187.21	
			Approp 2	198,614.01	
			Approp 4	130,500.00	
			Approp 2	5,992.70	
	33600		Approp 2	24,000.00	4
Total				498,293.92	-
Department	Head Ap	proval Sign	ature		DATE
xecutive O	ffice Appı	roval Signat	ure		DATE
· _	Detail	(+)		: 0	

# Schedules K (Detail) Report

This is what your Detailed (RVPOA621B) Schedule K Report will look like. You must include support for new or partial POs that did not rollover to the new year.



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# How to complete Schedule K

- **✓** Review Schedule K Reports
- Determine appropriate encumbrance amount
- ✓ You do not need to submit multiple copies for each Fund and Dept ID
- ✓ Do Not include Schedule K-1 items on Schedule K
- ✓ Do Not change the amount in the Total column

- ✓ Do Not add columns to Schedule K
- ✓ Do Not include personally identifiable information to PO's that will be visible on Schedule K
- Send Excel Workbook and scanned copies of supporting documentation related to ADDED PO's to

acoyearend@rivco.org

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## **Schedule K - Request For Encumbrances**

#### **County of Riverside**

FY 2020 Encumbrance Summary Report Schedule K Summary Report

Business Unit	Fund	Dept ID	Approp	Total	Dept Approved Amount
	10000		Approp 2	18,137.95	0.00
			Approp 2	928,349.57	135,785.97
			Арргор 4	72,753.75	0.00
1			Approp 2	56,864.98	59,400.00
	21841		Approp 2	11,239.04	0.00
Total				1,087,345.29	195,185.97

**Department Head Approval Signature** 

DATE

**Executive Office Approval Signature** 

DATE

8/11/2020

\* Please Remember to Include the following Reports with Dept Head Signature Report ID: RVPOA591 REMAINING ENCUMBRANCES REPORT Report ID: RVPOA551 REMAINING PRE-ENCUMBRANCES RPT

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2023 YEAR-END TRAINING

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# Pre-encumbrance and Encumbrance Schedules

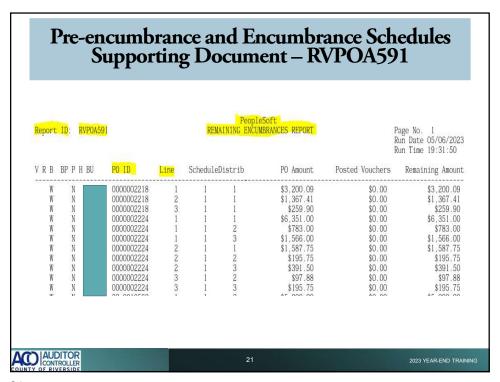
- ✓ Pre-encumbrances and encumbrances should be cleaned up as much as possible. Once the clean up is complete proceed with the following steps as a supplement to Schedule K and K-1:
  - Create a spreadsheet of all the remaining REQs and POs that are valid.
  - Print the spreadsheet and attach it to the RVPOA551 and RVPOA591.

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People	Soft - R	eport N	lanager Module	)			
✓ Employee S						Report	Manager
List E	xplorer Ad	ministration	Archives				
■ Q	Report ID	Pres Instance	Description	Request Date/Time	Format	View All	Ensure that you have the
Select			utstanding Encumbrances Rpl	10			PO Inquiry Roll
Select	6690855	5774740	uistanuing Encombrances Repr	1			

Report ID: RVPO	A551		REMA	Peopl INING <mark>PRE-E</mark>	eSoft NCUMBRANCES RPT	F	Page No. 1 Run Date 05/06/2023 Run Time 19:30:34
POSBPH B	U REQ ID	Line	Schedule!	Distrib	REQ Amount	PO Amount	Remaining Amoun
W W W W	0000000064 000000064 000000065 000000065 000000065	1 2 1 2 3	1 1 1 1	1 1 1 1	\$753.48 \$296.47 \$2,942.61 \$1,257.39 \$238.99	\$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$753.48 \$296.47 \$2,942.61 \$1,257.39 \$238.99
W	0000000067	1	1	1	\$3,198.15	\$0.00	\$5,488.94 \$3,198.15 \$3,198.15
W W	0000000168 0000000171 0000000171	1 1 2	1 1 1	1 1 1	\$6,420.00 \$56.91 \$95.97	\$0.00 \$0.00 \$0.00	



				1 Sam	bie		
		For F	County Of Riv EST FOR ENCU As of June 30, variable for Encu iscal Year Ended Due: July 21, 2023 August 10, 2023	JMBRANCES 2023 mbrance June 30, 2023 to CEO		COUNTY	AUDITO ICONTROLLE OF RIVERSID
SCHEDULE K-1 (Refer to Year-end Closing Manual, Ch	napter 6)		CEO Analyst App	roval:	Date:		
Encumbrance commitment made by:			A-C Budget Re	eview:	Date:		
Fund No: Business Unit: Dept ID:		Fu	nding Source: Fund Name: Dept. Name:		Page_		f
No		ms MUST have a	commitment am	ount equal to or greater than			
Party Satisfying Commitment In N Year: (a)		(c )	(d)	(e)	Autho	Agreement rization	(g) Estimate
Name of Individual, Business or Organization	(b) Est.*	Commitment Amount * >\$5,000	Account Code	Description of Goods/ Services To Be Received	Agenda Item	OS Agenda Date	Obligation Satisfied & Paid
SCHEDULE K-1 TOTAL		sc					
*If the amount due is estimated, atta IMPORTANT: If this form is not applic	ich an expla cable, indicat	nation of the me	ethod of computation Schedule N - the t	tion. ransmittal letter.			
Prepared By:		No.:		Approved By: _		Date	

# Schedule K-1 Request For Encumbrances

### County Of Riverside REQUEST FOR ENCUMBRANCES

Governmental funds only (Contracts and form 11 items only- no purchase orders)

#### Schedule K-1 Procedures

Party Satisfying Commitment In New Year. Please enter the following information regarding the future commitment.

- (a) Name of Individual, Business or Organization Who do you have a commitment with? Enter their name.
- (b) Est. Is the amount of the commitment an estimate? Enter an "E" if it is an estimate and attach an explanation of the method of computation.
- (c) Commitment Amount ≥ \$5,000 Enter the commitment amount, this amount MUST be greater than or equal to \$5,000.
- (d) Expenditure Account Code Enter the expenditure account number where the commitment amount will be charged to.
- (e) Description of Goods/Services To Be Received- What type of service or good will be received from the commitment
- (f) Contract/Agreement Authorization Enter the Board Agenda Item Number and the Agenda Date when the commitment was approved by the Board of Supervisors. For Example: 3.1 2/26/2023
- (g) Estimated Date Obligation Satisfied & Paid Enter the date the commitment is expected to be satisfied and paid in full.



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2023 YEAR-END TRAINING

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## Schedules K and K-1 Request For Encumbrances

- ✓ Submit the complete package to your management analyst at the County Executive Office by Friday, July 21, 2023.
  - ✓ Completed Schedules K, K-1, Pre-Encumbrance & Encumbrance Reports along with all supporting documentation are certified by the department head when signing and dating the schedule(s).

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### Schedules K and K-1 Request For Encumbrances

- ✓ Approved Schedules K and K-1 are to be provided from the EO to the ACO by 8/10/23 for consolidation and calculation of:
  - FYE Encumbrance amounts
  - New year departmental increase in appropriations amounts

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2023 YEAR-END TRAINING

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### Schedules K and K-1 Request For Encumbrances

- ✓ ACO to provide summary data for FYE Encumbrance and new year departmental increase in appropriations to EO by 8/23/23
- ✓ EO to prepare and submit Form 11 for Board approval on 9/12/23

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# Frequent Schedule K and K-1 Errors

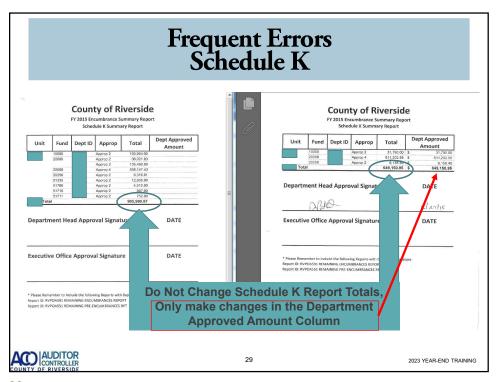
- ✓ No supporting documentation:
  - ✓ Schedule K-1: Did not attached Form 11, Form 5
  - ✓ New PO's that were not on Schedule K.
  - ✓ If the PO is <u>already</u> <u>included</u> on Schedule K, you DO NOT have to provide another copy
- Do NOT change Total amount or add additional columns on Schedule K
- ✓ Do NOT include an item on both schedules

- ✓ Schedule K: Make sure amount on detail schedule ties to summary schedule
- ✓ If your intent is to encumber a PO, You must have that amount in the Dept Approved Amount Column on Schedule K
- If you do not need to encumber any funds you do not need to submit it to EO and ACO
  - You will ONLY submit these schedules if you are requesting to encumber funds



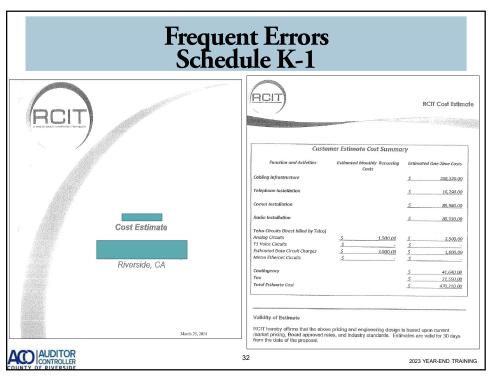
28

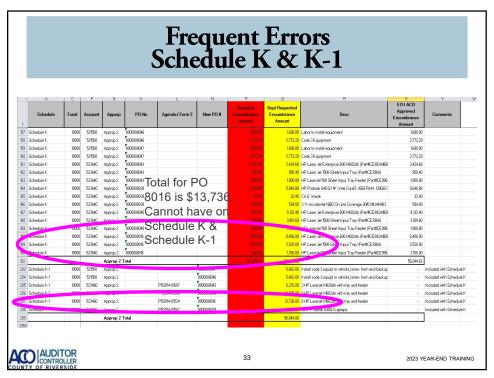
2023 YEAR-END TRAINING

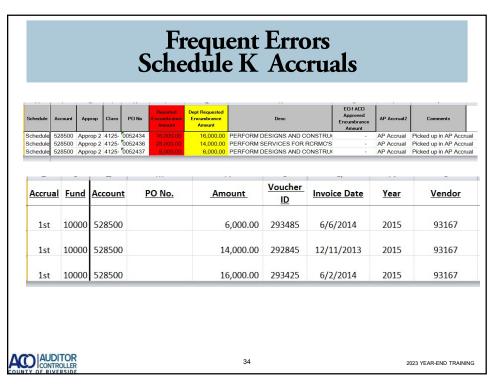


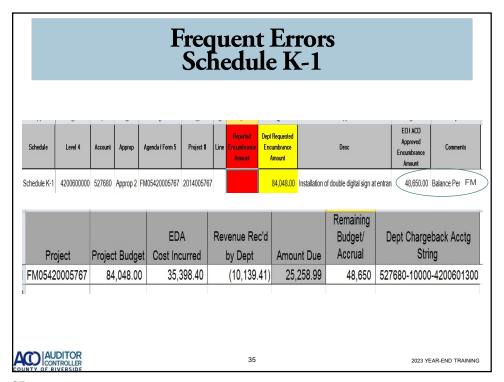
В	С	D	E	F	G		0	Q	R	Ţ	U	V	W
ch U	Unit	Fund	fund level 4	Dept	Level 4	Арргор	Form 11 / Form 5 etc	Reported Encumbrance Amount	Dept Requested Encumbrance Amount	EO / ACO Approved Encumbrance Amount	Final BOS Approved Encumbrance	AP Accrual	Comments
K-1		10000					FM045220007027		\$ 193	\$ -			Project below \$5K threshold
K-1 I		10000					FM045220007030		\$ 161	\$ -			Project below \$5K threshold
K-1 I	1	10000	10000 /						\$ 89	\$ .			Project below \$5K threshold
K-1 [	1	10000	10000 [			Approp 3	FM05220006751		\$ 89	\$ .			Project below \$5K threshold
K-1 I K-1 I			10000 7				FM05220006750 FM05220006751		\$ 89 \$ 89				

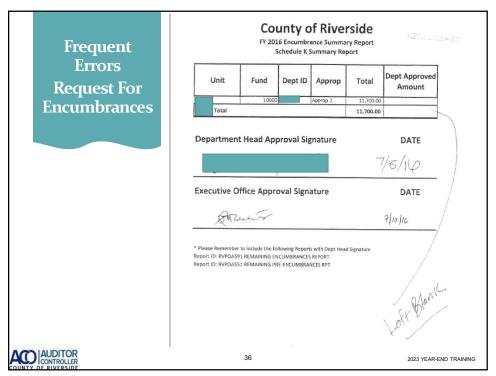
		Sch	edi	it Errors ile K-1		
			UEST FOR As of Ju Due Ju Available fo Fiscal Year I	or Riverside ENCUMBRANCES ne 30, 2014 by 11, 2014 r Encumbrance inded June 30, 2014 1, 2014 to CEO	ACO COUNTY (	AUDITOR ICONTROLLER OF RIVERSIDE
SCHEDULE K-1 (Refer to Year-end Closing Manual, Che Encumbrance commitment made by: Fund No: 10000 Businoss Unit: Dept ID:	ipter 6)	Fun	July 21, 2 CEO Analys A-C Budg iding Source:	Approvat August Swyn Budget General Fund	Date: 7/2///# Date: 7/2///#	
	Line iter	ns MUST have	a commitme	ent amount equal to or greater than	1 \$5,000.	
Party Satisfying Commitment In New Year: (a) Name of Individual, Business or Delice Health (2001 100000) 33300 WC 20204100000 15000004 PH Lab 4200100900 150000	(b) Est.*	(c)	(d) Expenditure Account Code 520250 522310	n 11's or excerpts of Contracts  (e)  Description of Goods' Services To Be Raceived Antennas-Revervalit Parkway Tenant Improvement-Anighborhood Wi	(f) Contract/ Agreement Authorization BOS Agenda Agenda Item Date RCIT Cost Est 03/25/14 C Fjorm 5 8/14/13, 2/7/14 Form 5 11/27/12	(g) Estimated Date Obligation Satisfied & Paid 2015 2015 2015
SCHEDULE K-1 TOTAL			522310	(	Mill Provi	do P.O.
		\$538,460			11 millow	eble
"If the amount due is estimated, attack IMPORTANT: If this form is not applicate	h an exp	lanation of the	method of o	omputation.	W ILLE	
Prepared By:		951-358-5054		Approved E	Date:	7/10/2014
Revised 06/14					/-	Sy MILL
LIDITOR				 31		2023 YEAR-END 1

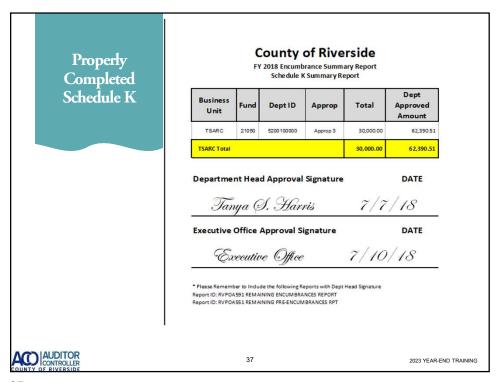


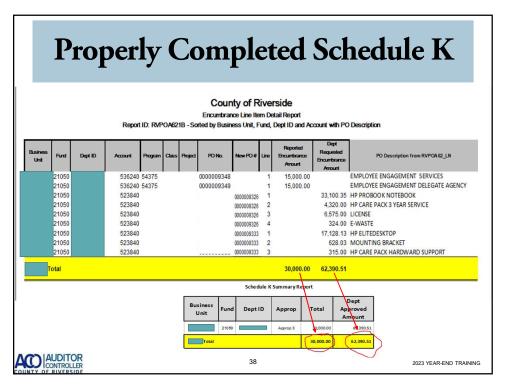




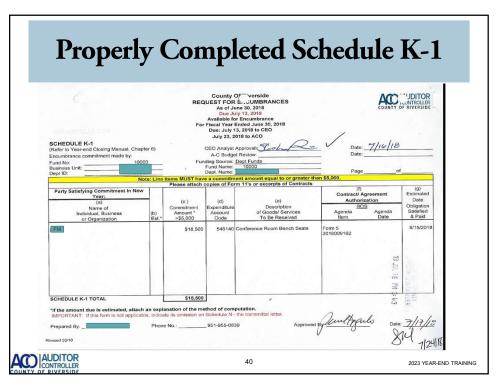








Cr.		REQUI	As of Jur Due July vailable for	f Riverside EK MBRANCES to 30, 2018 y 13, 2018 Encumbrance ided June 30, 2018		COUNTY	AUPTOR ICON LLER OF RIVERSIDE
SCHEDULE K-1 (Refer to Year-end Closing Manual, C Encumbrance commitment made by: Fund No; Business Unit: Dept ID:	hapter 6)	Fur	July 23, CEO Analys A-C Bud adding Source	, 2018 to CEO 2018 to ACO  st Approvals Local Description get Review:	_ Date:	7/11/18	
No		ms MUST have a	commitmen	nt amount equal to or greater than \$1 11's or excerpts of Contracts	Page 5,000.	0	
Party Satisfying Commitment In N Year: (a) Name of Individual, Business or Organization	(b) Est.*	(c) Commitment Amount * >\$5,000	(d) Expenditure Account Code	(e)	Contrac	(f) t/ Agreement iorization BOS Agenda Date	(g) Estimated Date Obligation Satisfied & Paid
FIS Avantgard LLC		\$324,000	525440	Additional cost necessary to customize the base system of the Quantum Treasury software to meet our customized accounting needs.	3.40	06/12/18	06/30/2019
the same of							1



School	u		IX-	1 Encum	Diam	
			QUEST FO As of Due Available or Fiscal Yea Due: Jul	y Of **rerside RR EIN-LUMBRANCES Jules 30, 2015 July 10, 2015 for Encumbrance or Ended June 30, 2014 y 10, 2015 to CEO 2015 to ACC 2015 ULL 15 AM HI		WDITOR ICONTROLLER TY OF RIVERSIDE
SCHEDULE K-1 (Refer to Year-end Closing Manual, Chapter Encumbrance commitment made by: Fund No: Business Unit: Dept ID:		Fund	ding Source: Fund Name: Dept. Name:		Date Date	1 of 1
· No	te: Lii			tment amount equal to or greater than \$5,000 form 11's or excerpts of Contracts		
Party Satisfying Commitment In New Year: (a) Name of Individual, Business or Organization	(b) Est.*	(c) Commitment Amount * >\$5,000	(d) Expenditure Account Code	(e)	(f) Contract/ Agreeme Authorization BOS Agenda Agenda Item Date	Date Obligation
EDA/Facilities Management Riverside County Information Technology (RCIT)		\$54,596 \$119,700	537040	Juvenile Services Division - Redesign the lobby/reception are for safety and ergonomics. New Banning Office lease - computer and cable installation.	Form 5	6/30/2016
SCHEDULE K-1 TOTAL	L	\$174,296	I			
*If the amount due is estimated, attach ar IMPORTANT: If this form is not applicable,						
Prepared By:	Phon	e No.: (951) 955-29	981	Approved By:		Date:7/10/2015

	PROJECT REQUEST (FORM-5)  To: Economic Development Agency, 3463 famils breat, Buile 500; Riverside, CA 92891 Instructions: Requester will complete Section 1 only, Forward Original to Economic Development Agency.  SECTION 1- CONTACT, WORM LOCATION AND SCOPE OF WORK NROFMATION.
Schedule K-1	Department, Entity
	Contact Person: E-Mail:
Supporting	Name of site: Site Contact Name: 951-358-4311
Documents	Building Address: Floor: Room:
	SCOPE OF WORK REQUESTED:
	Estimate to redesign the lobby/reception area for safety and ergonomics; patch and paint the entire facility, install new window coverings, and new carpet. There will also be additional space that we would like reviewed for redesign. Work may be done in multiple phases. Requesting Nency Cano
	SECTION II - APPROVAL / ASSIGNMENT CONSIDER SECTION II - APPROVAL / ASSIGNMENT ACCOMPLISHED BY:  ACTION TAKEN ACCOMPLISHED BY:  PROSESSORIES OFF # PROJECT #
	APPROVAL B PROJECT MANAGEMENT OFFICE TASK # REQUEST # REQUEST # SP32014  II CANCEL II REAL ESTATE RV9971 CNTYBLOG # GLESSE # REQUEST RCVD DATE of LESSE #
	Project Manager/Inspector/Lasae Agent Assigned Nancy Cano  Approval Authority Colored Signature on File) Date  Date  Date
	SECSION III - 6057 BM39.  Note: This estimate expires 45 days from Date of Estimate  Estimated By  Remarks:
	SECTION IV DEPARTMENT, EXTITY or COMPANY APPROVAL TO PROCEED  Name of authorizing individual (print)  Authorizing signature and date  12 13 14  Name of authorizing individual (print)  Title of authorizing individual (print)
	FUNDS: 5570/10/LFCCC 10 Digit 5 Digit 4 Digit 5 Digit Project Grant Account Fund Deat ID Program Class Location
AUDITOR	From 5 (Project Reguest) Rev 07:19-11  42 2023 YEAR-END TRAININ

# Schedules K-1 Supporting Documents

Sch	Unit	Fund	Dept	Form 11 / Form 5 etc	Dept Requested to Encumbrance Amount EO / ACO Approved Encumbrance Amount		Comments			
Sch K-1		10000		FM052600006611	\$	51,094.00	\$	51,094.00	Amount	is correct.
Sch K-1		10000		FM05260004208	\$	26,056.00	\$	26,056.00	Amount	is correct.
Sch K-1		10000		FM05260005878	\$	41,848.00	\$	41,848.00	Amount	is correct.
Sch K-1		10000		FM05260005970	\$	11,137.00	\$	11,137.00	\$	47,348.00
Sch K-1		10000		FM05260006039	\$	22,985.00	\$	22,985.00	Amount	is correct.
Sch K-1		10000		FM05260006499	\$	5,888.00	\$	5,888.00	Amount	is correct.
Sch K-1		10000		FM05260006544	\$	54,596.00	\$	54,596.00	Amount	is correct.
Sch K-1		10000		FM05260006915	\$	10,678.00	\$	10,678.00	Amount	is correct.
Sch K-1		10000		FM05260006942	\$	174,440.00	\$	174,440.00	Amount	is correct.
Sch K-1		10000		FM05260006965	\$/	71,408.00	\$	71,408.00	Amount	is correct.
Sch K-1		10000		FM08260006829	\$	499,745.00	\$	499,745.00	\$	444,372.00
Sch K-1		10000		FM08260007008	\$	441,691.00	\$	441,691.00	\$	498,468.00
		ties Manage	ment matian Tashantan	\$54,596	88	537040 lobby/recept	ion a	Division - Redesign re for safety and erg	onomics. F	Form 5
AUDIT CONTROL	OR			43					2023 \	/EAR-END TRAINI

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## Schedules K and K-1 Request For Encumbrances

Submit Schedules and Supporting Documents *electronically* to acoyearend@rivco.org

Questions?
Submit them by email to acoyearend@rivco.org

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2023 YEAR-END TRAIN

# QUESTIONS?

• If you have any general questions you can type them in the Chat box. Any department specific questions please email them to acoyearend@RIVCO.ORG



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2023 YEAR-END TRAINING