

June 7, 2006

TO: School District Administrators
FROM: Division of Administration and Finance
SUBJECT: Setting Up Purchase Orders as Current Liabilities

To establish a purchase order as a liability, go to the "P.O. Payment" screen and type "L" in the "Payment Action" field for each purchase order to be set up. Also, under the "liquidate" field, enter the amount to be established as a liability. This can be less than the amount of the purchase order.

After all liability purchase orders have been flagged, a report should be run to verify that all transactions were entered as desired. This report can be run under the "Roll Purchase Orders to Payable" option. The flag should be set to "N" to run the report. It should then be changed to "Y" to create the liabilities after verifying that everything is correct.

After the above process is complete, the "Close Open Purchase Orders" option should be run. This option will close and liquidate all remaining purchase order encumbrances.

All other liabilities can be established in the usual manner.

Please call Steve Mattern, director, District Financial Services, at (661) 636-4691 for assistance.

SM:mrp