Commitment
Encumbrance

Manoa Talk Story
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Overview

- Manoa has developed a procedure to capture Commitments in the KFS system using the Commitment Encumbrance e-Doc (CMT)
- Guidelines on when to use the eDoc will be posted on the OVCAFO PPG page once the procedure has been finalized
- Training on how to use the eDoc is being developed and hands on sessions will be provided if there is a need
What is a commitment?

- Commitments are defined generally as planned future fiscal year expenditures using current fiscal year money.
- Commitments can only be used on appropriated funds that allow carryover balances (TFSF & other special funds; RTRF & other revolving funds).
- Any purchases planned to be done in the current fiscal year should be part of your expenditure budget or entered as a pre-encumbrance.
- You also cannot commit future allocations/revenues.
- Reserves should also not be recorded on this e-Doc.
  - Reserves should be within the limits set by policy.
Commitment Examples

- **Capital-Related Commitments**
  - Equipment
  - New Construction & Renovation
  - Debt Service Payments (if there is a lag between revenue collection & debt service payments)

- **Operating Commitments**
  - Start-Up Funds
  - Grant Cost-Match
  - New Programs
Commitment e-Doc Mechanics

- The Commitment Encumbrance e-Doc is very similar to the Pre-Encumbrance e-Doc in KFS.
- Difference is that there are extra fields to classify the type of commitment.
- There are other requirements covered by the Manoa procedure to ensure that the commitments are documented appropriately.
  - Explanation requirements
  - Additional ad-hoc routing
Commitment e-Doc Demo
Commitment Outcomes

- Reports will be generated using the data captured in these reports to give an adjusted ending cash balance less commitments.
- Units will be responsible for providing justifications and maintaining their commitment entries.
Questions, Comments, Concerns?