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STARS USER MANUAL

PRE-ENCUMBRANCE

INTRODUCTION

STARS allows you to identify a part of your appropriation that you would like to reserve. There are two ways to identify this amount, pre-encumbrance and encumbrance. There is a significant difference in how STARS posts these two types and uses them in reporting.

Pre-encumbrances are optional. Pre-encumbrances are a means for management to record planned but unobligated expenditures, and are “memo” entries that do not decrease the available appropriation balance (STARS does not include these amounts in the available appropriation and available allocation balance calculations).

When the legal obligation is established, you may convert the pre-encumbrance to an encumbrance. They do not have to become an encumbrance or expenditure. You can cancel them at any time since there are no legal obligations for payment.

Once a pre-encumbrance is recorded, STARS will track any activity against that pre-encumbrance until its final liquidation.

UNDERSTANDING THE BASICS

A pre-encumbrance can be added at any time. STARS records a pre-encumbrance as a "memo" entry with an estimated amount. Some of the STARS reports, such as financial plans, will show this “memo” amount after the balance as a reminder that this expense needs to be taken into consideration when authorizing expenditures.

STARS deducts the encumbrance amount, but the pre-encumbrance amount is not deducted. For planning purposes, manually reduce the encumbrance amount by the pre-encumbrance amount.

PRE-ENCUMBRANCE TRANSACTION CODES

You can adjust or cancel a pre-encumbrance once it has been set up. You can also change a pre-encumbrance (not committed) to an encumbrance (committed) until you make the payment. You may also go directly to the payment process skipping the encumbrance entry if the transaction takes place right away.

The following is a list of the most commonly used pre-encumbrance transaction codes with a brief description of each. Detail information follows later in this chapter.

Transaction Code	Description
210	PRE-ENCUMBRANCE
211	ADJUST A PRE-ENCUMBRANCE
213	CANCEL A PRE-ENCUMBRANCE
218	ENCUMBRANCE PREVIOUSLY PRE-ENCUMBERED (changes a pre-encumbrance to an encumbrance/liquidates a pre-encumbrance)
233	EXPENDITURE PREVIOUSLY PRE-ENCUMBERED (makes a payment while liquidating the pre-encumbrance)
292	SCO EXPEND VOUCHER PREV PRE-ENC MANUAL WARRANT)

PURCHASE REQUISITION - PRE-ENCUMBRANCE – ENCUMBRANCE - EXPENDITURE PROCESS

The following example describes the process for an agency that has written a purchase requisition in the amount of \$950 for office equipment.

PRE-ENCUMBRANCE:

Record the cost of the equipment as a pre-encumbrance using a TC 210. The pre-encumbrance is reflected on financial reports as follows:

Original Appropriation	Expenditures	Encumbrances	(Orig – Exp – Enc) Available Balance	(memo only) Pre-Encumbrance
1,000,000	175,750	6,500	817,750	950

Notice that the available balance does not include the pre-encumbrance amount. Since the pre-encumbrance is not a formal commitment, it may canceled if the purchase is no longer needed.

ENCUMBRANCE:

Once a purchase order is issued or an order placed with the vendor, change the pre-encumbrance to an encumbrance. Liquidate the pre-encumbered amount by using a Reference Document Number when recording the encumbrance using a TC 218. Your financial reports would then reflect the following:

Original Appropriation	Expenditures	Encumbrances	(Orig – Exp – Enc) Available Balance	(memo only) Pre-Encumbrance
1,000,000	175,750	7,450	816,800	0

Notice that the encumbrance amount increases, the available balance decreases and the memo amount of the pre-encumbrance goes to zero. The encumbrance amount is legally committed to a vendor and no longer available for use.

EXPENDITURE

Liquidate the encumbrance by paying the bill using a TC 236 (regular payment), TC 241 (an interagency billing). Your financial reports would then reflect the following:

Original Appropriation	Expenditures	Encumbrances	(Orig – Exp – Enc) Available Balance	(memo only) Pre-Encumbrance
1,000,000	176,700	6,500	816,800	0

The \$950 encumbrance amount moves to expenditures. Available balance remains the same.

THE PRE-ENCUMBRANCE PROCESS FOR MONTHLY ANTICIPATED COSTS

The following example describes an agency with utility bills that average \$1,000 a month.

PRE-ENCUMBRANCE:

For planning future available balances, an agency pre-encumbers the total estimated payments of \$12,000. The pre-encumbrance can be liquidated by direct monthly payments to the vendor.

When you record the original pre-encumbrance using **TC 210**, the financial reports would reflect the following:

Original Appropriation	Expenditures	Encumbrances	(Orig – Exp – Enc) Available Balance	(memo only) Pre-Encumbrance
1,500,000	180,000	29,550	1,290,450	12,000

Notice that the available balance does not include the pre-encumbrance amount. The pre-encumbrance can be cancelled if service is terminated.

EXPENDITURE

The following month, a utility payment was made in the amount of \$976. Use a TC 233 to enter the pre-encumbrance Document Number as the Reference Document Number and enter the modifier on the transaction as blank (default to partial). The financial reports then reflect the following:

Original Appropriation	Expenditures	Encumbrances	(Orig – Exp – Enc) Available Balance	(memo only) Pre-Encumbrance
1,500,000	180,976	29,550	1,289,474	11,024

Notice that the expenditure amount increases, the available balance decreases, and the “memo” amount of the pre-encumbrance decreases showing a remaining pre-encumbrance balance for the next month.

FINAL JUNE EXPENDITURE

When the last utility payment is made for the year, enter the original pre-encumbrance Document Number as a Reference Document Number and enter a modifier of "F" for final. STARS will then liquidate the remaining balance of the pre-encumbrance, regardless of whether the final payment is more or less than the outstanding balance. STARS will charge the full amount of the final payment to expenditures.

TRANSACTION CODE TO RECORD A PRE-ENCUMBRANCE

You cannot post a pre-encumbrance to a prior year. Use the following transaction code to set up a pre-encumbrance. You can then liquidate it in different ways.

TC 210 – PRE-ENCUMBRANCE

(Approval level 2)

This transaction code records a new pre-encumbrance. If the pre-encumbrance appears on a report, it will show as a “memo” entry only. STARS does not include this in the balance totals.

A TC 210 posts to memo-type general ledger accounts 5100 (DR-pre-encumbrances) and 5110 (CR-reserve for pre-encumbrances).

A pre-encumbrance left at the end of the year will roll forward into the next year, unless cancelled by your agency. A pre-encumbrance that is rolled forward will be created with a BFY of the new year.

The following example will show you the minimum requirements to post a 210 transaction, indicating the required fields for a PCA-driven agency (if the PCA does not look up the Index, you must enter the Index):

VERSION 3.1		STARS--PRE-ENC/ENC/EXPEND TRANSACTION ENTRY	
S505			
BATCH: AGY 230 DATE 11021999 TYPE 4 NO 002 MODE MASTER EDIT ON SEQ-NO			
00001			
CUR-DOC/SFX: PRE02409 01		TRANS-CODE: 210	
REF-DOC/SFX:		MOD:	
INDEX :		RVS: DISB-METH:	
PCA : 01808		BFY: 00 GAAP IND:	
EXP-SUB-OBJ/DET: 5030		SEC AGENCY:	
REV-SUB-OBJ/DET:		SUBSID: PCN:	
AMOUNT : 1060.70		WARR-NO:	
DOC TOTAL: 0000000000.00		PROP#:	
INV-NO :		BU:	
VEND-NO:		CMP#:	
INV-DESC : Printing admin manual		CI:	
NAME :		Not required, but recommended.	
NAME 2:			
ADDR :			
CITY :		STATE: ZIP:	
GRANT/PH:		PROJ/PH:	
MPC:		FUND/DET: F/O:	

You must enter, at a minimum, the following elements to enter a TC 210.

Data Element	Description
CUR-DOC/SFX	Enter an eight-character current document number and a two-digit suffix. NOTE: STARS uses this number on the Document File to identify the pre-encumbrance.
TRANS-CODE	Enter transaction code 210 (record a pre-encumbrance). To do an adjustment, see the Pre-Encumbrance – Transaction Codes to Adjust or Cancel section later in this chapter.
BFY	STARS will fill in the current BFY. (Prior years not allowed.)
INDEX or PCA	Enter a four-character alphanumeric Index if you are Index-driven or a five-character alphanumeric PCA if you are PCA-driven. Your Index or PCA usually looks up a fund and budget unit, which are also required elements.
EXP-SUB-OBJ/DET	Enter a four-digit expenditure subobject (you can also use a two-digit detail) to identify the payment category, such as office supplies, accounting services, etc. The subobjects you use will show on your financial plan reports and determine the appropriation record the pre-encumbrance posts. You can find these expenditure subobjects online in the Appendix A – Expenditure Subobjects Long List .
AMOUNT	Enter the estimated amount of the pre-encumbrance.
DOC-DATE	Enter the six-digit document date (MMDDYY). This is usually the date of the purchase requisition (normally an internal document from an employee or manager requesting an item to be purchased).
INV-DESC	Not required, recommended. Enter up to a thirty-character invoice description to identify the pre-encumbrance. The invoice description shows on daily and expenditure reports.
VEND-NO	OPTIONAL. Not normally available since a pre-encumbrance is an uncommitted obligation and the vendor is not normally known. You can enter the nine-character vendor number and two-character suffix if you know the vendor from whom you will probably buy.
<p>NOTE: The system will have already filled in the current BFY and effective date.</p> <p>We recommend you leave RDOC – reference document numbers blank when you enter TC 210.</p>	

Important tips for entering TC 210:

1. Check the expenditure subobject to be sure it is correct for the type of payment you are making, including whether the payment should be 1099 reportable. STARS will look this up from the Document File when you make the payment or you can change it at the time of the payment. The subobject you use will show on your financial plan reports and also determines the appropriation record the pre-encumbrance posts.
2. Enter the invoice description to help you when you need information for future reference.
3. This will post to a grant and/or project.
4. This will not be included in your balance totals.

TRANSACTION CODES TO LIQUIDATE A PRE-ENCUMBRANCE

Use the following transaction codes to liquidate a pre-encumbrance.

<u>Transaction Code</u>	<u>Liquidating Pre-Encumbrance Transaction Code Description</u>
<u>218</u>	ENCUMBRANCE PREVIOUSLY PRE-ENCUMBERED (changes a pre-encumbrance to an encumbrance)
<u>233</u>	EXPENDITURE PREVIOUSLY PRE-ENCUMBERED (pays for a pre-encumbrance)
<u>292</u>	SCO EXPEND VOUCHER PREV PRE-ENC MANUAL WARRANT

Once you establish a pre-encumbrance, there are two ways you can liquidate it:

- Change the pre-encumbrance to an encumbrance (use a TC 218) so that STARS deducts the amount from your balances on your financial plans and appropriation files. You would usually do this if you had issued a purchase order or committed to a vendor for the purchase or service
- Pay the bill and liquidate the pre-encumbrance (use a TC 233) at the same time. This allows you to make a payment quickly, without having to change the pre-encumbrance to an encumbrance before making the payment.

TC 218 – ENCUMBRANCE PREVIOUSLY PRE-ENCUMBERED

(Approval level 3)

This TC changes an uncommitted pre-encumbrance to a legally obligated (committed) encumbrance. Use this TC if you have pre-encumbered the amount and now have issued a purchase order or committed to a vendor for the purchase or service. The vendor must be on the Vendor Edit Table before you can enter the TC 218.

A TC 218 posts to general ledger accounts 4300 (DR-encumbrances) and 3001 (CR-reserve for encumbrances). At the same time, this transaction code liquidates the pre-encumbrance by posting to general ledger accounts 5110 (DR-reserve for pre-encumbrances) and 5100 (CR – pre-encumbrances)

The following example shows the minimum requirements to post a TC 218 and the required fields for a PCA-driven agency. (If the PCA does not look up the Index, you must enter the Index):

VERSION 3.1	STARS--PRE-ENC/ENC/EXPEND-TR	New encumbrance number for the Document File
S505		
BATCH: AGY 230 DATE 11021999 TYPE 4 NO 002 MODE		
00001		
CUR-DOC/SFX: ENC02409 01	TRANS-CODE: 218	RVS: DISB-METH:
REF-DOC/SFX: PRE02409 01	MOD:	BFY: 00 GAAP IND:
INDEX :		SEC AGENCY:
PCA :	Pre-encumbrance being liquidated	SUBSID: PCN:
EXP-SUB-OBJ/DET:		
REV-SUB-OBJ/DET:		
AMOUNT : 1060.70	WARR-NO:	BU:
DOC TOTAL: 0000000000.00	PROP#:	CMP#:
INV-NO :	INV-DESC : Print 160 copies admin manual	CI:
VEND-NO: 222473181 00	NAME :	
	NAME 2:	
	ADDR :	
	CITY :	STATE: ZIP:
GRANT/PH:	PROJ/PH:	FUND/DET: F/O:
MPC:		
DOC-DATE: 020102	EFF-DATE: 021802	DUE-DATE: INTERRUPT:
ENTER=RETURN FRESH SCREEN, PF1=RETURN FILLED SCREEN, PF5=REVIEW BEFORE POST PF8=NEXT RECORD, PF9=BATCH BALANCING, PF10=CHG BATCH/VIEW DETAILS		

You must enter, at a minimum, the following elements to enter a TC 218.

<u>Data Element</u>	<u>Description</u>
CUR-DOC/SFX	Enter an eight-character current document number and a two-digit suffix. NOTE: STARS uses this number on the Document File to identify the encumbrance.
TRANS-CODE	Enter transaction code 218 (record an encumbrance previously pre-encumbered).
REF-DOC/SFX	Enter the eight-character reference document number and two-digit suffix of the pre-encumbrance. This is the “current document number” you used when you did the original TC 210 to set up the pre-encumbrance. This tells STARS which existing pre-encumbrance document to liquidate.
BFY	STARS will fill in the current BFY. (Prior years not allowed.)

Data Element	Description
INDEX or PCA	STARS will pull this data from the pre-encumbrance record. If the information is different, enter the new Index or PCA.
EXP-SUB- OBJ/DET	STARS will pull this data from the pre-encumbrance record. If the information is different, enter the new expenditure subobject.
AMOUNT	Enter the estimated amount of the transaction for this encumbrance. This may be different from the pre-encumbrance amount and could show the vendor's estimated cost.
INV-DESC	Not required, but recommended. Enter up to a thirty-character invoice description to identify the encumbrance. Include enough information to later identify the encumbrance. The invoice description shows on daily and expenditure reports.
VEND-NO	OPTIONAL. You can enter the nine-character vendor number and two-character suffix if you know the vendor you will be buying from. If you cannot locate a number, you may need to add one to the Vendor Edit table before the invoice arrives. See the Vendors subchapter for more information.
DOC-DATE	Enter the document date (MMDDYY). This is the document date you put on the pre-encumbrance when it was established. You can find this document date on the pre-encumbrance using screen 64.
NOTE: The system will have already filled in the BFY and effective date.	

Important tips for entering TC 218:

1. Double-check your expenditure subobject to be sure it is correct for the type of payment you plan to make, including whether the payment should be 1099 reportable. You can change this when the payment is made, if necessary. (Press F5 before updating the transaction will bring in the information from the pre-encumbrance record.)
2. Enter the invoice description for when you need information for future reference.
3. Double-check your vendor number, name, and address to be sure it belongs to the vendor you wish to pay. You can change this when the payment is made, if necessary.
4. This will post to a grant and/or project.
5. This will be included in your balance totals as an encumbered expenditure.

TC 233 – EXPENDITURE PREVIOUSLY PRE-ENCUMBERED

(Approval level 3)

This TC changes an pre-encumbrance to an expenditure payment. This bypasses the encumbrance process. Use this TC if you have pre-encumbered the amount and then receive an invoice for payment. The vendor must be on the Vendor Edit Table before you can make the TC 233 posting, similar to the regular TC 230 payment.

A TC 233 posts to general ledger accounts 4200 (DR-expenditures) and 1003 (CR-cash in treasury). This TC issues a warrant using the third-set of GL postings. At the same time, this transaction code liquidates the pre-encumbrance by posting to general ledger accounts 5110 (DR-reserve for pre-encumbrances and 5100 (CR – pre-encumbrances)

The following example shows the minimum requirements to post a TC233 and the required fields for a PCA-driven agency (if the PCA does not look up the Index, you must enter the Index):

```

VERSION 3.1          STARS--PRE-ENC/ENC/EXPEND TRANSACTION ENTRY
S505
BATCH: AGY 230 DATE 11021999 TYPE 4 NO 002 MODE MASTER EDIT ON   SEQ-NO
00001

CUR-DOC/SFX: EXP02409 01  TRANS-CODE: 233          RVS:          DISB-METH:
REF-DOC/SFX: PRE02409 01          MOD:          BFY: 00    GAAP IND:
INDEX          :                               SEC AGENCY:
PCA           : 01808                               SUBSID:          PCN:
EXP-SUB-OBJ/DET: 5030
REV-SUB-OBJ/DET:
AMOUNT       : 1060.70          WARR-NO:          BU:
DOC TOTAL: 0000000000.00          PROP#:          CMP#:          CI:
INV-NO       :                               INV-DESC : Print 160 copies admin manual
VEND-NO: 222473181 00          NAME          :
                                         NAME 2:

GRANT/PH:          PROJ/PH:          STATE:          ZIP:
MPC:              FUND/DET:          F/O:
DOC-DATE: 020102  EFF-DATE: 021802  DUE-DATE:          INTERRUPT:
    
```

Pre-encumbrance being liquidated

Vendor number is required.

You must enter, at a minimum, the following elements to enter a TC 233.

Data Element	Description
CUR-DOC/SFX	Enter an eight-character current document number and a two-digit suffix. Use any document number you wish. NOTE: STARS uses this number on the Vendor Payment File, listing the payments to a vendor in alphabetical order using this CUR-DOC/SFX number. You can also look up information on a warrant using this document number. To keep the numbers in date order, you may want this number to be consecutive from the first of the year to the end. (E.g.: EXP000001, EXP000002, etc.)
TRANS-CODE	Enter transaction code 233
REF-DOC/SFX	Enter the eight-character reference document number and two-digit suffix of the pre-encumbrance. This is the “current document number” you used when you did the original TC 210 to set up the pre-encumbrance. This tells STARS which existing pre-encumbrance document to liquidate.
MOD	Enter the one-character modifier to finalize the document. F or C – final payment/cancel (both work the same). Put this on the last payment against the document. Blank – not finalizing a document. A – If you finalized a pre-encumbrance document, you can re-open the document with this modifier.
BFY	STARS will fill in the current BFY. (Prior years not allowed.)
INDEX or PCA	STARS will pull this data from the pre-encumbrance record. If the information is different, enter the new Index or PCA.
EXP-SUB- OBJ/DET	STARS will pull this data from the pre-encumbrance record. If the information is different, enter the new expenditure subobject.
AMOUNT	Enter the amount of the transaction for this payment. This may be different from the pre-encumbrance amount.
PROP# / COMP#	If the subobject used requires posting to the Fixed Asset System, enter the ten-character property number and the two-digit component number. These may be inventory numbers used by your agency. STARS requires this number on most of the Capital Outlay subobjects and transfers this transaction information to the Fixed Asset System.

Data Element	Description
INV-NO	Not required, recommended. Enter up to a fourteen-character invoice number that will print on the warrant stub for the vendor. STARS posts this information to the Vendor Payment File for future reference. This invoice number shows on daily and expenditure reports.
INV-DESC	Not required, recommended. Enter up to a fourteen-character invoice number that will print on the warrant stub for the vendor. STARS posts this information to the Vendor Payment File for future reference. This invoice number shows on daily and expenditure reports.
VEND-NO	Enter the nine-character vendor number and two-character suffix of the vendor you are paying. STARS will post the TC 233 payment to this vendor number on the Vendor Payment File. STARS uses the vendor number to look up the name and address on the Vendor Edit Table (table 21) in order to send the payment to the correct vendor and location. This is the number STARS uses for tax reporting to the IRS. See the Vendors subchapter for more information.
NOTE: The system will have already filled in the BFY and effective date.	

Important tips for entering TC 233:

1. Double-check your reference document number to be sure it belongs to the pre-encumbrance you are liquidating.
2. Double-check your expenditure subobject to be sure it is correct for the type of payment you plan to make, including whether the payment should be 1099 reportable.
3. Enter the invoice number and description so the vendor has enough information to post the payment to their records without additional backup documentation. This will also help when you need information for future reference.
4. Double-check your vendor number, name, and address to be sure it belongs to the vendor you wish to pay.
5. This will post to a grant and/or project.
6. This will be included in your balance totals as an expenditure payment.

TC 292 – SCO EXPEND VOUCHER PREV PRE-ENC MANUAL WARRANT

(Approval level 6)

This transaction code is for use by SCO only. It is identical to the TC 233 above except it requires the additional entry of the manual warrant number and the due date (issue date of the manual warrant).

TRANSACTION CODES TO ADJUST OR CANCEL A PRE-ENCUMBRANCE

You can adjust or cancel a pre-encumbrance at any time since there are no legal obligations for payment. A pre-encumbrance balance will automatically carry forward into the next year, unless the balance is zero. On the Document File, the “balance” of the pre-encumbrance becomes the “original amount” on the next year’s pre-encumbrance record. If you do not wish it to carry forward, cancel the pre-encumbrance.

The following are transaction codes to adjust (increase or decrease) or to cancel an established pre-encumbrance already on the Document file.

Transaction Code	Description
211	ADJUST A PRE-ENCUMBRANCE
213	CANCEL A PRE-ENCUMBRANCE

TC 211 – ADJUST AN EXISTING PRE-ENCUMBRANCE

(Approval level 2)

This transaction code adjusts an existing pre-encumbrance. Use this TC if you have a pre-encumbered amount to adjust. This transaction will post an entry on the Document file to the “adjustments” bucket.

A TC 211 posts to memo-type general ledger accounts 5100 (DR-pre-encumbrances) and 5110 (CR-reserve for pre-encumbrances).

The following example will show the minimum requirements to post a TC 211 transaction and the required fields for a PCA-driven agency (if the PCA does not look up the Index, you must enter the Index):

VERSION 3.1		STARS--PRE-ENC/ENC/EXPEND TRANSACTION ENTRY		S505	
BATCH: AGY 230		DATE 11021999		TYPE 4 NO 002 MODE MASTER EDIT ON	
00001				SEQ-NO	
CUR-DOC/SFX: ADJ02409 01		TRANS-CODE: 211		RVS: DISB-METH:	
REF-DOC/SFX: PRE02409 01		MOD:		BFY: 00 GAAP IND:	
INDEX :		SEC AGENCY:		PCN:	
PCA :		SUBSID:			
EXP-SUB-OBJ/DET:					
REV-SUB-OBJ/DET:					
AMOUNT : 10.00		WARR-NO:		BU:	
DOC TOTAL: 0000000000.00		PROP#:		CMP#:	
INV-NO :		INV-DESC : Incr pre-enc amt to include taxes		CI:	
VEND-NO:		NAME :			
		NAME 2:			
		ADDR :			
		CITY :		STATE: ZIP:	
GRANT/PH:		PROJ/PH:		FUND/DET: F/O:	
MPC:					

You must enter, at a minimum, the following elements to enter a TC 211.

Data Element	Description
CUR-DOC/SFX	Enter an eight-character current document number and a two-digit suffix. Use any document number you wish. NOTE: STARS does not post this number on the Document File.
TRANS-CODE	Enter transaction code 211
RVS	Enter a one-character reversal indicator, if needed. R – Decrease the pre-encumbrance amount Blank – Increase the pre-encumbrance amount. NOTE: If you enter an “R” and need to remove it, put a space in this field.
REF-DOC/SFX	Enter the eight-character reference document number and two-digit suffix of the pre-encumbrance. This is the “current document number” you used when you did the original TC 210 to set up the pre-encumbrance. This tells STARS which existing pre-encumbrance document to adjust.
BFY	STARS will fill in the current BFY. (Prior years not allowed.)
INDEX or PCA	STARS will pull this data from the pre-encumbrance record.

Data Element	Description
EXP-SUB-OBJ/DET	STARS will pull this data from the pre-encumbrance record.
AMOUNT	Enter the amount you want to increase or decrease the pre-encumbrance. EX: If the pre-encumbrance is \$60.00 and it should be \$70.00. Enter the \$10.00 difference.
INV-DESC	Not required, recommended. Enter up to a thirty-character invoice description to identify why you need to change the pre-encumbrance amount.
NOTE: The system will have already filled in the BFY and effective date.	

Important tips for entering TC 211:

1. Double-check the reference document number to be sure it belongs to the pre-encumbrance you wish to change.
2. This will post to a grant and/or project.
3. This will not be included in your balance totals.

TC 213 – CANCEL AN EXISTING PRE-ENCUMBRANCE

(Approval level 2)

This transaction code cancels an existing pre-encumbrance. Use this TC if you have a pre-encumbered amount to cancel. This transaction will post an entry on the Document file to the “liquidations” bucket. Using this removes the amount from the “memo” entry on some of the reports.

A TC 211 posts to memo-type general ledger accounts 5110 (DR-reserve for pre-encumbrances) and 5100 (CR-pre-encumbrances). This is the opposite posting of the original TC 210.

The following example shows the minimum requirements to post a TC 213 transaction and the required fields for a PCA-driven agency (if the PCA does not look up the Index, you would have to enter the Index):

```

VERSION 3.1          STARS--PRE-ENC/ENC/EXPEND TRANSACTION ENTRY
S505
BATCH: AGY 230 DATE 11021999 TYPE 4 NO 002 MODE MASTER EDIT ON   SEQ-NO
00001

CUR-DOC/SFX: CAN02409 01 TRANS-CODE: 213          RVS:          DISB-METH:
REF-DOC/SFX: PRE02409 01          MOD: F          BFY: 00          GAAP IND:
INDEX          :
PCA           :
EXP-SUB-OBJ/DET:
REV-SUB-OBJ/DET:
AMOUNT       : 10.00          WARR-NO:
DOC TOTAL: 0000000000.00          PROP#:          CMP#:          CI:
INV-NO      :          INV-DESC : Cancel no longer need item
VEND-NO     :          NAME      :
              NAME 2:
              ADDR   :
              CITY   :          STATE:          ZIP:
GRANT/PH:          PROJ/PH:          FUND/DET:          F/O:
MPC:
DOC-DATE:
  
```

You must enter a modifier of "F" (final) or "C" (cancel)

Be sure to enter the balance amount of the pre-encumbrance. If a different amount is entered, STARS closes the record so you cannot post to it, but retains the remaining balance amount.

You must enter, at a minimum, the following elements to enter a TC 213.

Data Element	Description
CUR-DOC/SFX	Enter an eight-character Current Document Number and a two-digit Suffix. Use any document number you wish. NOTE: STARS does not post this number on the Document File.
TRANS-CODE	Enter transaction code 213
REF-DOC/SFX	Enter the eight-character Reference Document Number and two-digit suffix of the pre-encumbrance. This is the "Current Document Number" you used when you entered the original TC 210 to set up the pre-encumbrance. This tells STARS which existing pre-encumbrance document to cancel.
MOD	Enter the one-character Modifier to cancel the document. F or C – final payment/cancel (both work the same)
BFY	STARS will fill in the current BFY. (Prior years not allowed.)
INDEX or PCA	STARS will pull this data from the pre-encumbrance record.

Data Element	Description
EXP-SUB-OBJ/DET	STARS will pull this data from the pre-encumbrance record.
AMOUNT	Enter the balance amount of the pre-encumbrance. If a different amount is entered, STARS closes the record so you cannot post to it, but retains the remaining balance amount. You can find the balance amount on the document file screen 64.
INV-DESC	Not required, recommended. Enter up to a thirty-character Invoice Description to identify why you are canceling the pre-encumbrance.
NOTE: The system will have already filled in the BFY and EFF-DATE (Effective Date).	

Important tips for entering TC 213:

1. Double-check the reference document number to be sure it belongs to the pre-encumbrance you wish to change.
2. Double-check the amount to be sure it is the balance amount of the document.
3. This will reverse the entry from a grant and/or project.
4. This will not be included in your balance totals, but reverses the amount from the “memo” fields of reports.

TRANSACTION CODE MATRIX

<u>STEPS</u>	<u>PRE-ENCUMBRANCE</u>	<u>ENCUMBRANCE</u>	<u>EXPENDITURE</u>
Using pre-encumbrances for internal management control of internal purchase requests:			
Normal 3-step process	TC 210 (setup a pre-encumbrance)	TC 218 (change a pre-encumbrance to an encumbrance)	TC 236 (change an encumbrance to an expenditure) TC 241 (change an encumbrance to an expenditure by IAB)
Skip encumbrance step	TC 210 (setup a pre-encumbrance)		TC 233 (change a pre-encumbrance to an expenditure)
Starting at the encumbrance process for committed only requests:			
Normal 2-step process		TC 215 (setup an encumbrance)	TC 236 (change an encumbrance to an expenditure) TC 241 (change an encumbrance to an expenditure by IAB)
Adjusting or canceling pre-encumbrance or encumbrance postings:			
Adjust	TC 211 (adjust a pre-encumbrance)	TC 220 (adjust an encumbrance)	
Cancel	TC 213 (cancel a pre-encumbrance)	TC 225 (cancel an encumbrance)	

ENCUMBRANCE AND DISBURSEMENT REPORTS

Report	Description
DAFR6530	Encumbrance Status by Vendor Lists the status and balance amounts of encumbrances, grouping the encumbrances by vendor number/suffix. Totals by vendor, then organization, then by GL account (4300), and then by fund.
DAFR6840	Encumbrance Status by Fund, Program, and Object Lists the status and balance amounts of encumbrances. This is the view of the encumbrance using the Program/PCA structure. It sorts by Fund, then Program, and then Object.
DAFR8070	Encumbrance Status by Fund, Org, and Object Lists the status and balance amounts of encumbrances. This is the view of the encumbrance using the Organization/Index structure. It sorts by Fund, then Organization, and then Object.
DAFR8140	Encumbrance Aging Lists encumbrances, showing a balance amount for each encumbrance by 0-180 days, 180-360 days, and over 360 days. Totals by GL account (4300), then by fund, and then for agency.