

Encumbrance is money set aside for future spending for a stated purpose. For example, when an institution decides to purchase a book and initiates a Purchase Order (PO), the system would set aside the sum from the budgeted amount though it is not yet paid for. This set aside sum is called encumbrance. When the actual payment is made, the encumbrance is removed.

The following matrix would provide clarity on how encumbrances are handled in OLE tables across various functional areas (documents).

Document / Action	Requisition/Purchase Order		General Ledger	
	Table[Field]	Behavior	Table[Field]	Behavior
Requisition	pur_po_itm_t [ITM_OSTND_ENC_AMT]	Amount Credited	gl_acct_balances_t [ACLN_ENCUM_BAL_AMT]	Amount Credited
	pur_po_itm_t [ITM_OSTND_ENC_QTY]	Count Added	gl_encumbrance_t [ACLN_ENCUM_AMT]	Amount Credited
	pur_po_acct_t [ITM_ACCT_OSTND_ENCUM_AMT]	Amount Credited	gl_entry_t [TRN_ENCUM_UPDT_CD]	Updated to 'R' #
			gl_pending_entry_t [TRN_ENCUM_UPDT_CD]	Updated to 'R' #
			gl_sf_balances_t [ACCT_ENCUM_AMT]	Amount Credited
PO - Open	pur_po_itm_t [ITM_OSTND_ENC_AMT]	Amount Credited	gl_acct_balances_t [ACLN_ENCUM_BAL_AMT]	Amount Credited
	pur_po_acct_t [ITM_ACCT_OSTND_ENCUM_AMT]	Amount Credited	gl_encumbrance_t [ACLN_ENCUM_AMT]	Amount Credited
	pur_po_itm_t [ITM_OSTND_ENC_QTY]	Count Added	gl_entry_t [TRN_ENCUM_UPDT_CD]	Updated to 'R' #
			gl_pending_entry_t [TRN_ENCUM_UPDT_CD]	Updated to 'R' #
			gl_sf_balances_t [ACCT_ENCUM_AMT]	Amount Credited
PO - Void	pur_po_itm_t [ITM_OSTND_ENC_AMT]	Amount Credited	gl_pending_entry_t [TRN_ENCUM_UPDT_CD]	Updated to 'R' #
	pur_po_itm_t [ITM_OSTND_ENC_QTY]	Count Added		

PO - Reopen	pur_po_itm_t [ITM_OSTND_ENC_AMT]	Amount Credited	gl_acct_balances_t [ACLN_ENCUM_BAL_AMT]	Amount Credited
	pur_po_itm_t [ITM_OSTND_ENC_QTY]	Count Added	gl_encumbrance_t [ACLN_ENCUM_CLS_AMT]	Amount Credited
			gl_entry_t [TRN_ENCUM_UPDT_CD]	Updated to 'R' #
			gl_pending_entry_t [TRN_ENCUM_UPDT_CD]	Updated to 'R' #
Invoice	pur_po_acct_t [ITM_ACCT_OSTND_ENCUM_AMT]	Amount Debited	gl_acct_balances_t [ACLN_ENCUM_BAL_AMT]	Amount Debited
	pur_po_itm_t [ITM_OSTND_ENC_AMT]	Amount Debited	gl_encumbrance_t [ACLN_ENCUM_AMT]	Amount Debited
	pur_po_itm_t [ITM_OSTND_ENC_QTY]	Count reduced	gl_sf_balances_t [ACCT_ENCUM_AMT]	Amount Debited
			gl_entry_t [TRN_ENCUM_UPDT_CD]	Remains 'R' #
			gl_pending_entry_t [TRN_ENCUM_UPDT_CD]	Remains 'R' #
PO - Close	pur_po_itm_t [ITM_OSTND_ENC_AMT]	Amount Credited	gl_acct_balances_t [ACLN_ENCUM_BAL_AMT]	Amount Debited
	pur_po_itm_t [ITM_OSTND_ENC_QTY]	Count Added	gl_encumbrance_t [ACLN_ENCUM_AMT]	Amount Credited
	pur_po_acct_t [ITM_ACCT_OSTND_ENCUM_AMT]	Amount Credited	gl_encumbrance_t [ACLN_ENCUM_CLS_AMT]	Amount Credited
PO - Amendment	pur_po_acct_t [ITM_ACCT_OSTND_ENCUM_AMT]	Amount Credited	gl_acct_balances_t [ACLN_ENCUM_BAL_AMT]	Amount Credited
	pur_po_itm_t [ITM_OSTND_ENC_AMT]	Amount Credited	gl_encumbrance_t [ACLN_ENCUM_AMT]	Amount Credited
	pur_po_itm_t [ITM_OSTND_ENC_QTY]	Count Added	gl_entry_t [TRN_ENCUM_UPDT_CD]	Updated to 'R' #
			gl_pending_entry_t [TRN_ENCUM_UPDT_CD]	Updated to 'R' #
			gl_sf_balances_t [ACCT_ENCUM_AMT]	Amount Credited

Payment Request	pur_po_acct_t [ITM_ACCT_OSTND_ENCUM_AMT]	Amount Debited	gl_acct_balances_t [ACLN_ENCUM_BAL_AMT]	Amount Debited
	pur_po_itm_t [ITM_OSTND_ENC_AMT]	Amount Debited	gl_encumbrance_t [ACLN_ENCUM_AMT]	Amount Debited
	pur_po_itm_t [ITM_OSTND_ENC_QTY]	Count reduced	gl_sf_balances_t [ACCT_ENCUM_AMT]	Amount Debited
			gl_entry_t [TRN_ENCUM_UPDT_CD]	'R' is removed #
			gl_pending_entry_t [TRN_ENCUM_UPDT_CD]	'R' is removed #
Credit Memo	No effect on Encumbrances			
Pre-Encumbrance	No Entries - not tied to a PO			
PO - Split	Split is not available (OLE-1994)			

- Kindly note that the General Ledger tables (with 'gl' in their name), except gl_pending_entry_t, are updated post the nightly General Ledger Jobs.
- # - The TRN_ENCUM_UPDT_CD field takes in the following values 'R', 'D' and 'N'.
 - R - Reference Document Code
 - D - Document Code
 - N - No Encumbrance

The code needs to be read along with the Reference Document Number (FDOC_REF_NBR). The TRN_ENCUM_UPDT_CD identifies the document type referenced for transaction entries.