Encumbrance Cycle at-a-glance

STEP#1

The student government/client enters a ***Requisition (e-Req) BEFORE*** the purchase is made and ***BEFORE*** goods or services are ordered from the vendor

STEP#2

Upon approval of the ***Requisition*** by the Administrative Designee(if required), the SBI Accounting Office checks the designated appropriation budgetary account to make sure that the account correctly describes the type of expenditure, that funds are available and that the account will not be over-encumbered:

Is this the correct account, and are funds available?

- **NO** → The **Requisition** is returned unprocessed to the student government/client
- **YES**

STEP#3

The SBI Accounting Office reviews the description on the ***Requisition*** to determine if the vendor/payee is subject to IRS "1099" regulations:

Is this a "1099" vendor/payee?

- **YES** → The SBI Accounting Office sends a **TIN form (W-9)** to the vendor/payee for completion
- **NO**

STEP#4

The SBI Accounting Office reviews the description on the ***Requisition*** to determine if this is a purchase of capital equipment or depreciable property:

Is this a request for a purchase of capital equipment?

- **YES** → A 3-part **Capital Expenditure Requisition** is attached to the **Purchase Order** to be completed by the student government/client
- **NO**

STEP#5

The SBI Accounting Office "releases" the ***Requisition*** into a ***Purchase Order.*** The ***Purchase Order*** is forwarded to the student government/client for approval

STEP#6

After the ***Purchase Order*** is approved by ***two*** student government/client officers, the purchase may be initiated

CYCLE COMPLETED, NORMALLY WITHIN 24-48 HRS

Proceed to *Accounts Payable Cycle*