

## Encumbrances

Salaries and wages are encumbered on the General Ledger System and provide departments with a useful tool for monitoring their budget commitments. Encumbrances are loaded in mid August of each fiscal year and zero out on June 30<sup>th</sup> of each year.

Encumbrances are calculated based on forms loaded on the HRM system that are in H(history), C(current), A(approved) or P(pending) status. Forms in W(waiting) status are not used when determining encumbrance amounts. Once the total commitment for the year is calculated, any payments made to date are subtracted from the total to derive the remaining encumbrance balance for the year.

For further details of the encumbrance process, refer to the [Salary Encumbrances](#) manual on the Payroll website.