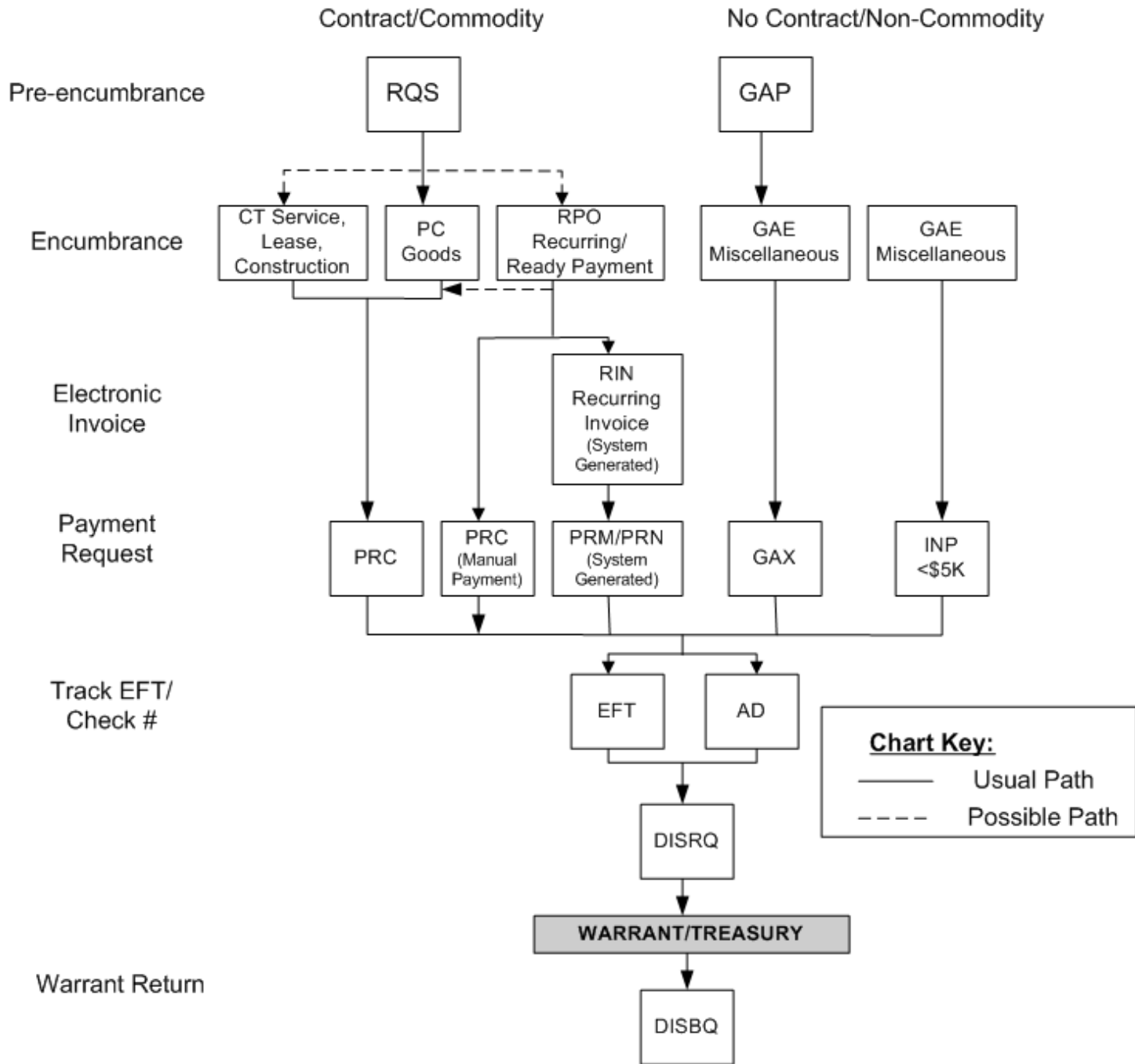


Encumbrance Overview

Below is diagram of the flow of documents from the pre-encumbrance to the payments level. The documents on the left require a commodity code; the documents on the right do not require a commodity code.

The focus is on the top two rows in this diagram, pre-encumbrance and encumbrance documents.



Pre-Encumbrance

Pre-Encumbrances allow departments to reserve large pools of funds before encumbering the funds.

Pre-Encumbrance details are copied forward from the Pre-Encumbrance to the Encumbrance document. This flow is shown on the previous diagram.

Pre-Encumbrance Documents:

Commodity Based:

-RQS

Non-Commodity Based:

-GAP

Encumbrance

Encumbrances are MMARS transactions that commit authorized funds for a specific purpose.

Encumbrance Documents

Commodity Based:

-CT - Encumbrance for Construction, certain Leases and Service Contracts

-PC - Encumbrance for Goods

-RPO - Encumbrance document for Recurring and Ready Payments

Non-Commodity:

-GAE - When the encumbrance does not require a procurement or contract

Commodity vs/ Non-Commodity

Commodity

A commodity-based encumbrance reserves funds for any article of trade, goods, products, supplies, or information technology resources, including:

- Automated data processing
- Telecommunications hardware, software and systems

A commodity-based encumbrance (CT, PC, and RPO) also reserves funds for furnishing of time, labor, effort or specialized skills provided by contractor, including:

- Operational
- Professional
- Maintenance and Repair
- Non-professional consultant
- Human and Social services

Commodity-Based Documents:

- The pre-encumbrance document is the RQS.
- The encumbrance documents are the CT, PC, and RPO
- The corresponding payment request documents are PRC and/or PRM

Refer back to the flow chart for specific payment request type.

Non-Commodity

A non-commodity based encumbrance reserves funds for any expenditure that does not require a procurement or contract, such as pension and insurance related expenses, postage, subscriptions and memberships, advertising expenses, fees, fines, licenses, permits, confidential investigation expenses, sales tax, donations, exhibits/displays, electricity, sewage disposal, water, natural gas, and incidental purchases.

Non-Commodity Based Documents:

- The pre-encumbrance document is the GAP.
- The encumbrance document is the GAE.
- The corresponding payment request documents are the GAX and INP.

For more detailed information you may consult the CTR Job Aids library [PowerDMS](#).