

April 23, 2014

TO: School District Administrators  
FROM: Division of Administration and Finance  
SUBJECT: Setting Up Purchase Orders as Current Liabilities

To establish a purchase order as a liability, go to the "*P.O. Payment*" screen and type "L" in the "*Payment Action*" field for each purchase order to be set up. Also, under the "*liquidate*" field, enter the amount to be established as a liability. This can be less than the amount of the purchase order.

After all liability purchase orders have been flagged, a report should be run to verify that all transactions were entered as desired. This report can be run under the "*Roll Purchase Orders to Payable*" option. **The flag should be set to "N" to run the report. It should then be changed to "Y" to create the liabilities after verifying that everything is correct.**

After the above process is complete, the "*Close/Open Purchase Orders*" option should be run. This option will close and liquidate all remaining purchase order encumbrances.

All other liabilities can be established in the usual manner.

**If you have any questions, please call Accounts Payable at (661) 636-4592.**

PAQ:mrp