

RELEASING ENCUMBRANCES & MEMO LIENS

Encumbrances

Encumbrances are detail transactions or balances for a given full accounting unit (FAU) that reflect the University's legal obligation to pay for goods or services ordered through a formal purchase order or various maintenance, consultant, rental and lease agreements. In essence, an encumbrance is the total amount of dollars a department has committed for future payment on any order it has placed using our financial system. These are commonly called "liens" but should not be confused with memo liens. Encumbrances correspond to purchase orders (PO) and memo liens correspond to requisitions.

Encumbrances can be released whether the PO is open or closed:

- If a PO is open, it can be zeroed out using the Change Order screen in BruinBuy. [See the BruinBuy User Guide: Chapter 10 (Changing & Cancelling Orders) for more information.]
- Please log on to the UCLA Online Financial System to view your Open Commitment Subsidiary Ledger. If the PO has been closed, print the Order Detail Inquiry [ORD] header screen in BruinBuy as well as the screen on the Open Commitment Subsidiary Ledger that shows the open balance, and fax them to:

- Email: encumbrance@finance.ucla.edu
- Attention: Encumbrances and Memo Liens Representative

- The processing cycle for releasing an encumbrance when the requisition number is closed is as follows:

Responsibility	Action
Department	Prints the ORD header screen in BruinBuy.
Department	Print screen on Open Commitment Subsidiary Ledger that shows the open balance.
Department	Forwards ORD header screen print and Open Commitment Subsidiary Ledger printout to Accounts Payable.

Accounts Payable	Reviews the request.
Separate reviewer	Conducts a second review.
Corporate Accounting	Releases encumbrance.

Note: It may take up to 30 business days for an encumbrance to be released and reflected on the general ledger. In order to expedite processing, please submit all requests to Accounts Payable on a daily basis and as early in the month as possible since the volume of requests tends to increase near the month-end closing.

Memo Liens

Memo liens are detail transactions or balances for a given FAU that represent an unofficial commitment for spending requests that have not yet been approved or encumbered. A memo lien should be released when a department issues a requisition for a purchase order from Purchasing, and Purchasing advises the department to issue a Low-Value Order (LVO) or an X-class order instead. The department would have to go into BruinBuy and delete the requisition (R-class order).

Related Information

[BruinBuy Change Orders](#)

[BruinBuy User Guide: Chapter 10 \(Changing & Cancelling Orders\)](#)

[UCLA On-Line Financial System](#)