

Question asked at Medical FYE session:

If checks are received from vendors, what is the Impact on a PO encumbrance?

A/P Answer:

- A refund check from a vendor is usually deposited directly to the account and **does not affect** the PO.
- If a credit is received for an item the department returned because they no longer wanted it for whatever reason, there is no automatic close of the PO, release of the encumbrance.
- The department will need to close the remaining encumbrance on the PO.
- If the invoice processed is for the full order (indicator code F), the encumbrance on the PO will liquidate.