Calculating encumbrances represents one of the most important processes for meeting the university’s ongoing financial needs.

Encumbrances are used to track future financial commitments – such as payroll earnings, taxes, deductions and fixed fringe rates – for an employee across a funding period and/or fiscal year.

After payroll processes, encumbrance calculations will process within HCM. If job data rows are added after payroll, wait until the next payroll processes to reevaluate the encumbrance calculation.

**What affects encumbrances?**

- The budget end date for fiscal year funds
- The funding end date (and project end date) for grants/contracts
- Changes in salary or recurring pay
- Adding or changing contracts
- Changes to benefit eligibility
- Appointment end date
- Job changes such as Short Work Break and Leave of Absence – unpaid (reflected by these employee statuses):
  - A = Active
  - L = Leave of Absence
  - P = Leave with Pay
  - W = Short Work Break

Encumbrances for general funds will be cleared at fiscal year-end and reset for the new fiscal year. However, encumbrances for grants may continue across the fiscal year, based on project and funding end dates.

**Fringe fixed encumbrance**

On the Boulder and Colorado Springs campuses, SpeedTypes attribute the calculated
encumbrances for fixed fringe rates to the earnings SpeedTypes.

Check out the fringe rates found on each campus controller’s website.

**Where can I find encumbrances?**

Payroll encumbrances are calculated in HCM but are reported on mFIN reports from CU-Data. There is a dedicated payroll encumbrance report from mFIN, and encumbrance columns are included in many of the other reports.

As always, you can email hcm-community@cu.edu [4] or System.HRGL.Team@cu.edu [5] for additional help.

[HRGL [6], encumbrances [7]]

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