

De-Commitment

What is De-Commitment?

De-Commitment refers to the action of removing commitments from purchase orders for certain GL codes.

What Causes Unnecessary Commitment?

There are various reasons for incorrect or unnecessary commitment for your GL account, such as:

- Invoices are paid without matching against existing POs
- Actual spending is below the amount the original PO is issued for
- POs committed more funds than what is required
- Project gets cancelled and PO is no longer needed
- GL codes on POs are incorrect or have been changed
- Currency exchange rate discrepancies between POs and invoices
- Tax discrepancies between taxes on the PO and the actual invoices paid against the PO
- Financial transactions, such as committing and payment, post to different accounting periods
- System error when transferring commitments to a different fiscal year

What Are the Solutions for De-Commitment?

To remove unnecessary commitments, Purchasing Services will need to make changes to the purchase order so that the purchase order reflects the actual transaction. In the case of system error, a journal entry is needed to correct the incorrect commitment.

How to Request De-Commitment?

Any commitment below \$10.00 will be removed automatically during the year end process.

For those incorrect commitments that need to be removed prior to year end or by a certain date, please send an email with an FRS screen print image to purchasing.helpdesk@uoguelph.ca [1].

What to Expect after Requesting De-Commitment?

Your email to purchasing.helpdesk@uoguelph.ca [1] will create a service ticket for Purchasing Services. We will analyze the information in your email and assign the ticket to a member of our team who will start to investigate the incorrect commitment.

When the cause for the incorrect commitment is determined, we will formulate an action plan to remove the commitment. In cases where an outstanding purchase order needs to be cancelled or revised, the specific buyer who is responsible for the purchase order will be notified to do so. Often the buyer will contact the department to confirm the details and obtain the authorization to make the changes to your purchase order.

Depending on what is involved in the process, it could take up to several days to get the commitment removed. Please note a change to a purchase order will not be observed immediately in FRS. Depending on when the change is made



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by Purchasing Services, the change in FRS normally can be observed after 1 to 2 days.

During the entire process, you will be kept updated via email notification from the ticket status change. You may provide your input at anytime by replying the email of the ticket.

Once the incorrect commitment has been removed and the change has been observed in FRS, the ticket will be closed and you will receive the email notifying you about the ticket closure. This should be the last email of the ticket if your request is resolved to your satisfaction. Please do not reply to the email if no further action is required. Any reply will re-open the ticket, which will prompt us for further investigation.

Source URL: <https://www.uoguelph.ca/finance/de-commitment>

Links

[1] <mailto:purchasing.helpdesk@uoguelph.ca>