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Christine W. Baleto
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Department of Administration Organization Circular No. 2017-001

To: All Executive Branch Line Department and Agency Heads

From: Director, Department of Administration

Subject: **Liquidation of Encumbrances**

Buenas yan Håfa Adai! This circular is will serve as a reminder to all executive branch line departments, agencies and entities regarding the Liquidation of Encumbrances.

Effective immediately, liquidations for **CURRENT FISCAL YEAR's Requisitions and Purchase Orders** shall be submitted to the General Services Agency (GSA) for processing. These include, but are not limited to: amendments for decreases, amendments for increases, vendor number corrections, account corrections, additional accounts, and any other amendments to a current year requisition and purchase orders.

Excluded from this circular are those exempted from the Guam Procurement Law; such as *Mayors Council of Guam* per §40119(c), *Guam Election Commission* per Attorney General's Opinion DOA-11-1031 and *Office of Public Accountability* per 1 GCA §1900.

Please also note that all Line departments and agencies Annual Budgets must follow the mandate per 5 GCA 22 §22434 (PL 27-78), which sets the Expiration date for Encumbrances to nine (9) months after the Fiscal Year en;, except for federal accounts governed by grant award verbatim. Therefore, beginning July 1st (9 months after September 30th), liquidation of encumbrances will commence by the DOA Division of Accounts.

Other encumbrances, such as Travel (prefix "T"), Work Requests (prefix "U" and "W"), Contracts (prefix "S" and "C") and Utilities (prefix "E" and "H"), will be processed by the DOA's Division of Accounts.

It is our hope that every line department and agency of the Executive Branch continue to remain compliant with this circular to ensure proper procedures are followed.

Should you have any questions, please feel free to contact my office at 475-1101.

Si Yu'os Ma'åse,

Christine Baleto
Director