

Part I Chapter 30 Funds Commitments

- A. Purpose.** Funds Commitments are to be used as a method of encumbering funds in the SAP Finance Module only after Office of Budget (OB) and Department of General Services, Bureau of Procurement (BOP) determine that it is not feasible to prepare and process a contract as an electronic contract document through the SAP Procurement Module.
- B. General.**
1. Every effort should be made by the agency to process all contracts and purchase orders through the SAP Procurement Module. The SAP Procurement Module tracks spend under the contract via follow-on purchase orders issued against the contract; or if a contract is not issued then via stand-alone purchase orders. Therefore, spend traceability by supplier and procurement documents is jeopardized by utilization of funds commitments.
 2. Funds Commitments are used to encumber funds in the SAP Finance Module for contracts entered into outside of the SAP Procurement Module and can only be used by an agency with authorization from OB and BOP.
 3. Funds Commitments do not represent a method of awarding contracts. Agencies are required to follow all solicitation and award requirements for the selected method of award (i.e., competitive sealed proposals method).
 4. BOP and OB have pre-approved the use of the Funds Commitment for certain agreements. Those agreements are identified in G below. Agencies are authorized to use the Funds Commitment for encumbering funds for these agreements and are not required to submit a request for waiver for these identified agreements.
- C. Requirements.** When an agency believes there is a need to create a contract document outside the SAP Procurement Module and utilize a funds commitment to encumber the required monies they should proceed as follows:
1. Regardless of dollar value, requesting Agency must complete the [Funds Commitment Waiver Review Form, BOP-011](#).
 - a. Completion of the BOP-011 Form will establish a business case explaining why a contract cannot be created in the SAP Procurement Module.
 - b. Agencies should submit completed forms via email to the OB Resource Email Account identified on the BOP-011.
 2. Requesting Agency must prepare paper contract documents and obtain all applicable signatures in accordance with the policies and procedures outlined in the Procurement Code and this Handbook. See Part I Chapter 10, Contract Formats for appropriate contract document type.

- a. Approved BOP-011 Forms must be included with the paper contract files when submitted to OB for approval.

D. Office of Budget, Office of Comptroller operations. Must review all BOP-011 Forms, noting approval or denial on the form with appropriate comments.

- 1. OB will forward approved BOP-011 Forms to BOP with a copy to the requesting agency. Denied BOP-011 Forms will be returned to the requesting agency with instructions to create a contract or purchase order in SRM.
- 2. Will review for approval all funds commitments documents in the SAP Finance Module (R3 System).

E. Department of General Services, Bureau of Procurement. BOP must review all OB approved BOP-011 Forms, noting approval or denial on the form with appropriate comments.

- 1. BOP will forward approved/denied BOP-011 Forms to the requesting agency. Denied forms will contain instructions to create a contract or purchase order in SRM. BOP will forward a copy of denied BOP-011 Forms to OB.

F. Requesting Agency. Using the SAP Finance Module will create the appropriate Funds Commitment type.

G. Exceptions. Exceptions to this policy have been identified and are listed below. These identified exceptions do not require a waiver from OB and BOP. (Grants are not procurements and do not require an exception to use a funds commitment.)

TYPE	Document Number Range
DOT: Right-of-Way Contracts (REMIS)	3800000000-3899999999
DOT: FMIS and MORIS Misc. Encumbrances	3900000000-3999999999
Interface Commitments	4200000000-4289999999
Negative Interface Commitments	4290000000-4299999999
SERS/PSERS for investment contracts	4300000000-4399999999
Out-Service Training Documents	4600000000-4699999999
Lease Agreements	4900000000-4999999999
DPW EBT's	EB00000000-EB99999999
PennVest for Loan Accounting	L000000000-L999999999
PDE FAIS for Local Education Agency Payments	E000000000-E999999999
Trade Act/NAFTA Obligations	T000000000-T999999999
DOT Engineering & Consultant Agreements	D000000000-D999999999
DOT Highway Construction Contracts CMS	H000000000-H999999999
DOT Highway Construction Contracts ECMS	V000000000-V999999999
DOT Municipality Reimbursement Contracts ECMS	M000000000-M999999999
DOT Utility Relocations	U000000000-U999999999

References:

- 1. [BOP-011, Funds Commitment Waiver Review Form](#)