

**To:** President and Members of the Munster Town Council  
**From:** Wendy Mis, Clerk-Treasurer *W Mis*  
**Date:** December 21, 2020  
**Re:** Resolution 2079: 2020 Encumbrances Appropriations

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When beginning a new budget year, it is beneficial to review open purchase orders that show as "encumbered" on the current year's ledger. These encumbrances can be carried forward to the corresponding 2021 budget account. This allows expenses generated in 2020 to be attributed to the 2020 budget instead of the 2021 budget.

Staff in all departments have been asked to review their open purchase orders and report which items should be carried into 2021. These items can only be used for the vendor and for the goods or services for which the purchase order was originally made. The maximum to be brought into 2021 is \$1,630,753.20.

Encumbrances brought forward have a direct impact on future appropriations levels. We know that not all of the listed encumbrances will be used; some will not be used at all. All encumbrances brought into the new year will be used by the end of February 2021. The final amounts will be reported in March 2021.

The Indiana State Board of Accounts suggests formally recording these encumbrances in the minutes of the final meeting of each year. Resolution 2079 has been drafted for this purpose. Exhibit A to the resolution is fund summary and listing of all the purchase orders which will be carried into 2021.

**Recommendation:**

By motion and roll call vote, adopt Resolution 2079 as presented.