



**Accounting and Administrative Manual**  
Section 100: Accounting and Finance

**Reservations - Definition**  
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General:

Reservations are defined as informal commitments (setting aside) of funds prior to the establishment of formal encumbrances. The purpose of the informal reservation is to set aside a portion of budgeted funds in anticipation of the issuance of a formal commitment (encumbrance).

Reservations must be evidenced by a properly executed purchase requisition, e.g. travel authorization for travel. Alternate supporting documentation for payroll reservations may be developed by a local business office as a supplement to these procedures. This process must be described in writing and on file in the business office of the unit.