

QUICK REFERENCE GUIDE

Date Definitions and Payment Processing

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Date Definitions and Payment Processing

This Quick Reference Guide provides an overview of the State's payment commitments. It describes pay terms. A table specifies required dates. It also provides description of the dates and rules in SWIFT.

Overview

Minnesota statute 16A.124 requires that state agencies promptly pay their vendors. Payment should not exceed 30 days. Payment is determined from the date that goods or services were received. Or, it is determined by the date that the invoice was received, whichever date is later. Payments should not incur interest charges.

Agencies must do their best to schedule payments to meet the invoice or statement due dates. Agencies must pay according to their purchase contract terms. Whenever possible, agencies must take advantage of early payment discounts.

Understanding SWIFT date fields and payment processing is critical to avoid missing valuable discounts and paying on time.

Date Definitions

Accounting Date:

This date determines the accounting period in which a transaction is posted to the general ledger. Staff should review *Accounting Dates* to make sure that expenses are recorded in the correct accounting period. This is very important at fiscal year-end. These expenses need to be in the prior fiscal year.

- The *Accounting Date* defaults to the current date. It can be changed if needed.
- The *Accounting Date* is also updated by changes to the *Goods/Services Received Date*.
- If you copy "Purchase Order Only" into the voucher, SWIFT updates the the *Goods/Services Received Date* and the *Accounting Date* to the *Current Date*.*
- If you copy "PO Receipt" into the voucher, SWIFT update the *Goods/Services Received Date* and the *Accounting Date* to the *Receipt Date*. **

Note that the *Accounting Date* on the **Payments** tab is different than the *Accounting Date* on the **Invoice Information** tab. The second one is updated when the voucher is paid.

* SWIFT limits the *Accounting Date* to the first date of the open accounting period if the *Goods/Services Received Date* is older. ** SWIFT limits the *Accounting Date* to the first date of the open accounting period if the *Receipt Date* is older.

Budget Date: This date determines the Budget Period the funds will be taken from. Staff should review *Budget Dates* to ensure expenses are recorded in the correct Budget Year. This is very important at fiscal year-end or for continuing appropriations.

- The *Budget Date* defaults to the current date. It can be changed if needed
- *Budget Dates* are copied from the *Budget Dates* on the purchase order during the copy process.
- SWIFT updates the *Budget Date* with changes to the *Goods/Services Received Date* for direct vouchers. SWIFT does not automatically update *Budget Dates* with changes to the *Goods/Services Received Date* when associated with purchase orders
- *Budget Dates* must be less than or equal to the *Accounting Date*.

Discount Due Date: This is the date the payment is due to the vendor in order to receive a discount. SWIFT will generate the discount based on the *Invoice Date* and the *Pay Terms* (including weekends and holidays).

- For example, an *Invoice Date* of 3/1/2015 with *Pay Terms* of 1% and 10/N30 will result in a *Discount Due Date* that is 10 days from the *Invoice Date* or 3/11/2015.

Goods/Services Received Date: This date is used to record the goods and services that were received by the agency. For goods, this is the date the goods were received. For services, this is the end date of the service. The *Good/Services Received Date* and the *Invoice Receipt Date* determine the *Prompt Pay Date*.

- If you create a voucher by using "Purchase Order Only", SWIFT updates the several dates. It updates the *Goods/Services Received Date* and the *Accounting Date* to the *Current Date*.
- If you use "PO Receipt" to create a voucher, SWIFT updates several dates. It updates the *Goods/Services Received Date* and the *Accounting Date* to the *Receipt Date*.
- The *Goods/Services Received Date* must be less than or equal to the *Accounting Date*.

Invoice Date: This is the actual date of the vendor's invoice. The *Invoice Date* and *Payment Terms* are used to calculate the *Net Due Date* and the *Scheduled Due Date*. It is also used to calculate sales tax. If the tax code associated with the voucher changes on a particular date, SWIFT automatically figures the tax according to the effective date of the change. The *Invoice Date* must be less than or equal to the *Invoice Receipt Date*.

Invoice Receipt Date: This date is used to record the date the invoice was physically received by the agency. This date along with the *Goods/Services Received Date* is used in determining the *Prompt Pay Date*.

Net Due: This is the date the payment is due to the vendor.

- SWIFT generates this date based on the *Invoice Date* and *Pay Terms* (including weekends and holidays).
- For example, an *Invoice Date* of 3/1/2015 with *Pay Terms* of 1% 10/N30 results in a *Net Due Date* that is 30 days from the *Invoice Date* or 3/31/2015.

Payment Date: *Payment Date* and the *Payment Reference IDs* are automatically completed after the voucher has been processed for payment.

Prompt Pay Date: This is generated by SWIFT. This is the date a payment must be made for it to be paid on time. This date is calculated by using the greater of *Invoice Receipt Date* or *Goods and Services Received Date* + 30 days.

Service Period Begin Date: For services, this is the date the service began and will be included in the eSettlement invoice. This field is not required.

Scheduled Due: The *Scheduled Due Date* determines when the voucher is processed. SWIFT schedules payments based on the *Current Date*, the *Discount Date* (if applicable), and the *Net Due Date*. The *Scheduled Due Date* is determined by:

- *Discount Date* if discounts are available and the *Current Date* is not past the *Discount Date*
- *Net Due Date* when there are no discounts available or the *Discount Date* has passed
- *Current Date* if the *Net Due Date* has passed

Note: In most cases, the *Scheduled Due Date* should not be manually overridden. Changing it to the *Current Date* can result in early payment processing. However, do not do this unless there are special circumstances

Payment Processing – When are Payments Made?

Pay Terms and Discounts: SWIFT defaults *Pay Terms* to 30 days for external vendors and 000 for inter-agency vendors. *Pay Terms* should not be changed unless discounts are available. Or, they can be changed if a payment requires special arrangements. SWIFT processes discounts during payment processing.

Note: Take advantage of discounts by selecting the appropriate *Pay Terms* from the drop-down menu that includes this discount. Additional *Pay Terms* can be added by contacting the SWIFT Help Desk.

Payment Processing: Payments are processed every night except for holidays and weekends. There are three main pay cycles for warrants, ACH, and inter-agency vouchers. View these pay cycles in the tables below. More time may be needed to process financial sanctions or to add taxes. SWIFT processes MN Entertainer Tax, MNDOR Revenue Offset, and Federal Reciprocal programs.

EFT Pay Cycle adds 1 day for EFT vendors			
Nightly Batch Date	Payment Date	Pay Through Date (Scheduled Date)	Settles Vendors Bank
Monday	Tuesday	Wednesday	Wednesday
Tuesday	Wednesday	Thursday	Thursday
Wednesday	Thursday	Friday	Friday
Thursday	Friday	Monday	Monday
Friday	Monday	Tuesday	Tuesday

Daily Pay Cycle - Warrants - Adds 2 days for check vendors			
Nightly Batch Date	Payment Date	Pay Through Date (Scheduled Date)	Warrant Mailed
Monday	Tuesday	Thursday	Tuesday morning
Tuesday	Wednesday	Friday	Wednesday morning
Wednesday	Thursday	Monday	Thursday morning
Thursday	Friday	Tuesday	Friday morning
Friday	Monday	Wednesday	Monday morning

Inter-Agency Pay Cycle			
Nightly Batch Date	Payment Date	Pay Through Date (Scheduled Date)	AR Item Closed via Bilateral Netting Process
Monday	Tuesday	Monday	Tuesday
Tuesday	Wednesday	Tuesday	Wednesday
Wednesday	Thursday	Wednesday	Thursday
Thursday	Friday	Thursday	Friday
Friday	Monday	Friday	Monday