

QUICK REFERENCE GUIDE

Verify Default Values on Purchase Orders

Updated October 31, 2015

Verify Default Values on Purchase Orders

Buyers are responsible to make sure correct values are entered into all of the fields of a purchase order. Some fields on purchase orders default to predetermined values. Review default values to ensure that they fit the requirements of your purchase orders.

This reference guide describes the fields on purchase orders with defaults and their default values. It also describes how to review and update each of the fields with defaulted values.

Fields on Purchase Orders with Defaults

Fields with Defaults	Default Values
Account Code	Defaults from Category.
<ul style="list-style-type: none"> • AM Unit (Asset Management Business Unit)/ • Asset Profile ID 	Both default from Category if configured. Verify that the item is an asset.
Freight Terms	Defaults from Business Unit.
Matching Tolerances	Defaults from Category. Tolerances are set to 10% or \$50, whichever is less.
Payment Terms	Defaults from Business Unit. It will always be "Net 30".
Receiving	Defaults from Category. All categories set to "Receiving Required".
Sales Tax	Defaults from Ship To Location.

Review and/or Update Default Fields on Purchase Orders

General Information about Updating Default Fields

- **Navigation:** Purchasing, Purchase Orders, Add/Update POs, Maintain Purchase Order
 - **NOTE:** Use the magnifying glass to see what values are available for the field you are updating.
 - Make sure that you check the defaults for each line of the purchase order.
1. **Account Code:** The account code defaults from the Category Code.
 - a. **Review and/or update the Account Code.** It is located on the **Distribution/ChartFields** area of a purchase order. Click the **Schedules** icon on the **Line Details** tab of the purchase order.

The screenshot shows a software interface for managing purchase orders. At the top, there are tabs for 'Details', 'Ship To/Due Date', 'Item Information', 'Attributes', 'RFQ', 'Contract', and 'Receiving'. The 'Details' tab is active. Below the tabs is a table with columns: Line, Item, Description, PO Qty, *UOM, Category, Price, Merchandise Amount, and Status. The first row shows Line 1, Item 'Provide consulting to', PO Qty 1.0000, *UOM LO, Category 82111500, Price 3,000.00000, Merchandise Amount 3,000.00, and Status Approved. A red box highlights the 'Schedules' icon in the bottom right corner of the table.

- On the **Schedule** page, click the **Distributions/ChartFields** icon.

Sched	*Due Date	*Ship To	Ship to GLN	*PO Qty	Price	Merchandise Amount	Status
1	10/14/2015	G104THFL00		1.0000	3,000.00000	3,000.00	Active

- On the **ChartFields** tab, verify the correct *Account Code* for the purchase order.
- The *Category/Account* relationship restricts the number of valid accounts for a given category. You can only select a valid *Account*.

*Account	Dist	Status	Percent	Merchandise Amount	Currency	*GL Unit	Fund	Fin DeptID	AppropID
411304	1	Open	100.0000	3,000.00	USD	MN001	1000	G1039000	G100009

- Review and/or update the Category Code.** It is located on the Lines area of a purchase order.

Line	Item	Description	PO Qty	*UOM	Category	Price	Merchandise Amount	Status
1		Provide consulting to	1.0000	LO	82111500	3,000.00000	3,000.00	Approved

2. **AM Unit and Profile ID:** The *AM Unit* and *Profile ID* default from the *Category Code* if configured.

- Review and/or Update the AM Unit and Profile ID:** They are located on **Asset Information** on the **Distribution** tab of the **Schedules** page.
- Start by clicking on the **Schedules** icon on the **Line Details** tab of the purchase order.

Line	Item	Description	PO Qty	*UOM	Category	Price	Merchandise Amount	Status
1		Provide consulting to	1.0000	LO	82111500	3,000.00000	3,000.00	Approved

- On the **Schedule** page, click the **Distributions/ChartFields** icon.

Sched	*Due Date	*Ship To	Ship to GLN	*PO Qty	Price	Merchandise Amount	Status
1	10/14/2015	G104THFL00		1.0000	3,000.00000	3,000.00	Active

- On the **Asset Information** tab, verify the correct *AM Unit* and *Profile ID* for the purchase order.

CAUTION: You may wish to consult with your agency's asset management office before updating asset information. Verify the *AM Unit* and *Profile ID* or remove them if the item is not an asset. The *Tag Number* should be blank. *Capitalize* should not be checked. *Employee ID* is typically used if an asset is assigned to a specific employee.

*Account	AM Unit	Profile ID	Capitalize	Tag Number	Empl ID
411304			<input type="checkbox"/>		

b. **Review and/or update the Category Code:** It is located on the Lines area of a purchase order.

Line	Item	Description	PO Qty	UOM	Category	Price	Merchandise Amount	Status
1		Provide consulting to	1.0000	LO	82111500	3,000.00000	3,000.00	Approved

3. **Freight Terms:** Defaults from Business Unit.

Freight terms will default to “FOB_PALLOW” for all purchase orders. This means that the vendor should not bill the state separately for freight. If the vendor will be billing for freight, then update the *Freight* terms to “FOB_PADD”. This allows accounts payable to process a payment for freight.

a. **Review and/or Update the existing Freight Terms:** They are located on **Freight** tab of the **Schedules** page. Start by clicking on the **Schedules** icon on the **Line Details** tab of the purchase order.

- On the **Freight** tab, enter a value in the *Freight Terms* field.
 - “FOB_PADD” allows accounts payable to process a freight payment.
 - “FOB_PALLOW” is the default. It does not allow the vendor to bill for freight.
- Click the **Save** button. Click the **Return to Main Page** link

Sched	*Due Date	*Ship To	Freight Terms
1	10/14/2015	G104THFL00	

b. **To Add Freight Terms:** Freight Terms are entered on the **Header Misc. Charges** page. Find this page on the **Go To** drop down menu. It is located at the bottom, right side of the purchase order.

For more information, review the *Add Freight and Miscellaneous Charges to a Purchase Order* reference guide. It is located on the SWIFT Training and Support Resources web page: <https://mn.gov/mmb/accounting/swift/training-support/index.jsp>

Matching Tolerances: Defaults from Category. Tolerances are set to 10% or \$50, whichever is less. A buyer may set lower tolerances on each purchase order line. The buyer cannot set a higher tolerance.

- **Matching Tolerances** allow you to define value and percent tolerances to override exceptions generated by the match rules. SWIFT’s matching process uses match tolerances when comparing the prices and

amounts. If a match exception exists and the voucher is within the tolerances, the matching process automatically overrides the exception.

c. Defaults for Matching Tolerances:

- Price Tolerance Over - 99999999.99999
- Price Tolerance Under - 99999999.99999
- % Unit Price Tolerance Over – 999.99
- % Unit Price Tolerance Under – 999.99
- **Ext Price Tolerance – 50.00**
- Ext Price Tolerance Under - 99999999.99999
- **% Ext Price Tolerance – 10.00**
- % Ext Price Tolerance Under – 999.99

d. **Review and/or Update Matching Tolerances:** They are located on **Matching** tab on the **Schedules** page. Start by clicking on the **Schedules** icon on the **Line Details** tab of the purchase order.

- On the **Matching** tab, verify the tolerances. Lower tolerances can be set for any field.

*Ship To	Match Status	Matching	Price Tolerance Over	Price Tolerance Under	% Unit Price Tolerance Over	% Unit Price Tolerance - Under	Ext Price Tolerance	Ext Price Tolerance - Under	% Ext Price Tolerance	% Ext Price Tolerance - Under
G104THFL00	Not Matched	Full Match	99999999.9	99999999.9	999.99	999.99	50.00000	99999999.9	10.00	999.99

4. **Payment Terms:** Defaults from the *Business Unit* and will always be “Net 30”.

a. **Review and/or Update the Payment Terms:** They can be updated on the Vendor Details link on the header of a purchase order.

- On the **Vendor Details** page, verify the value in the *Terms* field. Use the magnifying glass to search for other payment terms. Click **OK** if you updated the payment terms. **Save** the update.

5. **Receiving:** Defaults from Category. All *Categories* are set to “Receiving Required”. A buyer may update from “Required” to “Optional” or “Do Not”.

- a. **Review and/or Update the Receiving terms:** They can be updated on the **Receiving** tab in the Lines section of a purchase order.



- b. **Review and/or update the Category Code:** It is located on the Lines area of a purchase order.

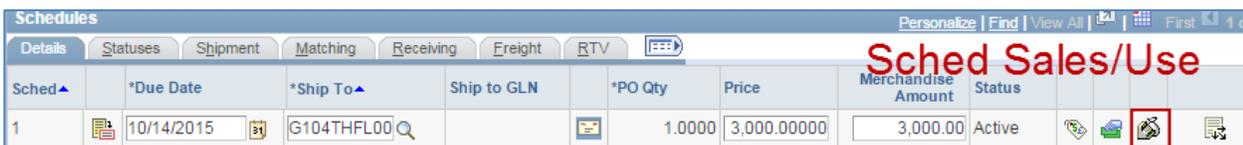


6. Sales Tax: Defaults from the Ship To Location.

- a. **Review and/or Update Sales Tax:** It is located on **Sched Sales/Use Tax** icon from the **Schedules** page. Start by clicking on the **Schedules** icon on the **Line Details** tab of the purchase order.
- Start by clicking on the **Schedules** icon on the **Line Details** tab of the purchase order.



- On the **Schedules** page, click on the **Sched Sales/Use Tax** icon.



- On the **Sales/Use Tax Information for Schedule** page, verify both the *Ultimate Use Code* and the *Tax Applicability* field for each line on the purchase order.
 - Verify the **Ultimate Use Code**. Click on the magnifying glass to select the correct value.

Ultimate Use Code Values	Field Description
Blank	Ultimate Use Code does not apply to the purchase order line.
Dirpayex	The purchase order line is excluded from the state's Direct Pay Permit. Tax will calculate and display on the purchase order for the vendor to bill the state for the tax.
Excise	The Tax Code will default to "0000". The state tax at 6.875%. Tax Applicability will update to Sales Tax Applicable. The tax will calculate and display on the purchase order for the vendor to bill the state for the tax.
Exempt	The purchase order line is exempt from tax. No tax will calculate. The Tax Applicability will update to "Item is Exempt".
Included	Taxes have been included in the cost of the purchase order line. No taxes will calculate. Tax Applicability updates to "Item is Exempt".

- Verify the **Tax Applicability** field defaulted or updated. It is based on the **Ultimate Use Code** you selected.

Tax Applicability Values	Field Description
Direct Pay	Sales and local tax are calculated in the system. They are not shown on the order document. Using the state's Direct Pay Permit, sales and local tax are paid directly to the Department of Revenue (DOR). This is the most common setting on taxable goods and services. In general, use this value.
Sales Tax Applicable	Sales and local tax are calculated and shown on the purchase order. They are paid to the vendor. Only items not covered by the state's Direct Pay Permit are applicable. It does not include other taxes such as hotel or telecommunications.
Exempt	No tax is calculated on the purchase order either because the item is not taxable or there are other taxes, such as those for hotel or telecommunications. These are any type of tax other than state and local paid to the vendor. These other taxes can be added as a separate purchase order line or incorporated into the cost of the goods or service.
Purchaser is Exonerated	The purchasing Budget Unit (BU) is tax exempt. No tax will be assessed.
Use Tab Applicability	Sales and local taxes are assessed and sent directly to DOR. This is relevant only if the vendor should have charged for sales tax but did not. This code should be used sparingly.

- Verify that the **Tax Code** is correct for the purchase order line.
- Verify the *Include Freight* and *Include Misc Charges* are checked or unchecked as appropriate
- Click the **Calculate SUT** (Sales and Use Tax) button and verify the tax rate.
- Click the **OK** button.

Sales/Use Tax Information for Schedule 1

Unit: G1001 Vendor: HIGH PERFO-001
 PO ID: 3000003307 Item: ["Power and Influence" for Emerging Leaders Institute participants. Two Sessions: 10/9 & 10/23, 2015](#)
 Line: 1 Status: Active
 Schedule: 1

Tax Destination: G104THFL00 Calculate SUT

Tax Applicability: Sales Tax Applicable

Ultimate Use Code: EXEMPT

Exception Type: None

SUT Excpn Cert:

Tax Code:

Calculation Parameters

Include VAT

Include Freight

Include Misc Charges

Merchandise Amount: 3,200.00

Total Tax

Tax Basis Amount: 3,200.00 Rate: 0.0000 Sales Tax Amount: _____

Total Tax: _____

OK Cancel