Create Vouchers with Retainage

Retainage is a portion of a payment the State of MN withholds until completion of a project. Retainage can be a percentage or an amount of the project’s overall cost.

For example, the State hires a contractor for a $100,000 project, and the contract stipulates 10% retainage. During the project, the State pays the contractor $90,000, but withholds 10%, or $10,000, until the contractor completes the project. Once completed, the State pays retainage.

This Quick Reference Guide provides information on how to create vouchers with retainage.

Steps to complete

- Step 1: Create a new voucher.
- Step 2: Enter information on the Invoice Information tab by copying the PO.
- Step 3: Enter information on the Payments tab and save.
- Step 4: Run the Matching process.
- Step 5: Run the Budget Checking process and check the Summary tab for errors.
- Step 6: Submit the voucher for Approval.

Step 1: Create a new voucher.

1. Navigate to the Voucher Regular Entry page.

<table>
<thead>
<tr>
<th>Navigation Option</th>
<th>Navigation Path</th>
</tr>
</thead>
</table>
| Navigation Collection | Accounting, Accounts Payable, Vouchers.  
The Voucher Regular Entry page will display by default. |
| WorkCenter | Accounting, Accounts Payable, AP WorkCenter, left-menu, Links section, Vouchers, Regular Entry |

2. On the Add a New Value tab, enter the Business Unit number in the Business Unit field.
3. In the Voucher ID field, leave “NEXT” as the default value.
4. In the Voucher Style field, leave the “Regular Voucher” option as the default value.
5. Press the Add button.
Step 2: Enter information on the Invoice Information tab by copying the PO.

1. The Invoice Information tab will display. In the Copy From field under the Copy From Source Document section, select “Purchase Order Only” to create a voucher by copying the PO.

2. Select the Go link.
3. The Copy Worksheet screen will display. Enter the agency number in the PO Business Unit field.

4. Enter the PO number in the PO Number From field.

5. Press the Search button.

6. The Copy Worksheet screen will expand to display the Select PO Lines section. Check mark the Select box to select the PO line(s).

7. Press the Copy Selected Lines button.
8. SWIFT will copy PO information into fields on the Invoice Information tab. Look over the Header section to make sure the correct PO was copied onto the new voucher, including the Supplier ID, ShortName, Location, Address, Pay Terms, and Total Difference fields.

9. Under the Invoice Lines section, find retainage comments by selecting the PO Comments link.

10. The PO Comments screen will display. Look for comments that indicate retainage instructions, and then press OK to return to the Invoice Information tab.

   Note: Comments will only appear if the Buyer has entered them on the PO.

   E.g., these comments indicate 10% should be retained.
Step 3: Enter information on the Payments tab and save.

1. Select the Payments tab.
2. Enter the agency number in the Agency Origin field.
3. Select “Retainage” from the drop-down list in the Pay Reason field.
4. In the Payment Information section, update the amount in the Gross Amount field.
   - Subtract the retainage amount indicated in the retainage instructions from the Total Amount to calculate the Gross Amount.
   
   E.g., if the Total Amount is $473.55 and retainage is 10%, enter $426.20 for Gross Amount.
5. In the Message field, enter the retainage instructions (e.g., “10% Less”).
6. Check mark the Retention? box to indicate the additional payment line is being held for retention.

7. In the Payment Information section, add a row for retainage by pressing the Add a New Row (+) button. The Gross Amount field on this row will automatically populate with the retainage amount.

8. Select “Contract Retention” from the drop-down list in the Hold Reason field.

9. In the Message field, enter the retainage instructions (e.g., “10% Retainage”).
10. Check mark the **Hold Payment** box until the payment is ready to be released.

![Image of payment options]

11. Press the **Save** button. *(Note: If you’re not ready to complete the voucher, you may also press the **Save For Later** button to save your work for later.)*

### Step 4: Run the Matching process.

1. Select the **Invoice Information** tab.
2. Under the **Action** list, select the “Matching” option from the drop-down list.
3. Press the **Run** button to run the Matching process.
4. A **Message** box ask if you want to wait for the matching process to complete. Press **Yes**.
5. When the Matching process is complete, select the **Summary** tab.
6. Verify the **Match Status** field says “Matched.”

### Step 5: Run the Budget Checking process.

1. Select the **Invoice Information** tab.
2. Under the **Action** list, select the “Budget Checking” option from the drop-down list.
3. Press the **Run** button to run the Budget Checking process.
4. A **Message** box will ask if you want to wait for the Budget Checking process to complete. Press **Yes**.
5. When the Budget Checking process is complete, select the Summary tab, and verify the Status fields read as follows:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry Status</td>
<td><em>Postable</em> means the voucher has no errors and is ready to be posted.</td>
</tr>
<tr>
<td>Match Status</td>
<td><em>Matched</em> means the matching process is completed.</td>
</tr>
<tr>
<td>Approval Status</td>
<td><em>Pending</em> means the voucher is ready for Approval.</td>
</tr>
<tr>
<td>Post Status</td>
<td><em>Unposted</em> means the voucher is not posted.</td>
</tr>
<tr>
<td>Budget Status</td>
<td><em>Valid</em> means that the budget checking process is completed.</td>
</tr>
</tbody>
</table>

**Step 7: Submit the voucher for Approval.**

1. Select the Invoice Information tab.
2. Verify that the voucher has an identification number the Voucher ID field.
3. Press the Submit for Approval button.
4. SWIFT will display the Approval Comments screen. In the Additional Details field, enter any optional comments to send to the approver, if applicable.
5. Press the OK button.
6. The Approval Summary tab will display the Voucher Approval screen, which shows the status of the approval. Press the Save button.