

QUICK REFERENCE GUIDE

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Date Definitions and Payment Processing

This guide provides an overview of the State's payment commitments. It describes date definitions including rules in SWIFT. It describes payment processing. Several tables specify required dates for payment processing.

Overview

Minnesota statute 16A.124 requires that state agencies promptly pay their suppliers. Payment should not exceed 30 days. SWIFT determines payment from the date that goods or services were received. Or, SWIFT determines the payment date 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 Dates:

The *Accounting Date* determines the accounting period that SWIFT posts a transaction to the general ledger. Staff should review this date make sure that SWIFT records expenses 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. You can change it if needed.
- SWIFT updates the *Accounting Date* based on changes to the *Goods/Services Received Date*.
- If you copy "Purchase Order Only" into the voucher, SWIFT updates the *Goods/Services Received Date* and the *Accounting Date* to the current date. SWIFT limits the *Accounting Date* to the first date of the open accounting period if the *Goods/Services Received Date* is older.
- If you copy "PO Receipt" into the voucher, SWIFT update the *Goods/Services Received Date* and the *Accounting Date* to the *Receipt Date*. SWIFT limits the *Accounting Date* to the first date of the open accounting period if the *Receipt Date* is older.

Note: the *Accounting Date* on the *Payments* tab is different than the *Accounting Date* on the *Invoice Information* tab. SWIFT updates the second one when it pays the voucher.

Budget Date:

This date determines the budget period the funds will be taken from. Staff should review *Budget Date* 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. You can change it if needed.
- SWIFT copies the *Budget Dates* on the voucher 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 supplier 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 3/1/2020 with *Pay Terms* of "1% 10/N30" will result in a *Discount Due Date* that is 10 days from the *Invoice Date* or 3/11/2020.

Goods/Services Received Date:

SWIFT uses this date 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 supplier's invoice. SWIFT uses the *Invoice Date* and *Payment Terms* to calculate the *Net Due Date* and the *Scheduled Due Date*. SWIFT also uses these dates 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. SWIFT uses *the Invoice Receipt Date* and the *Goods/Services Received Date* to determine the *Prompt Pay Date*.

Net Due:

This is the date the payment is due to the supplier. SWIFT generates this date based on the *Invoice Date* and *Pay Terms* (including weekends and holidays). For example, an *Invoice Date* of 3/1/2020 with *Pay Terms* of "1% 10/N30" results in a *Net Due Date* that is 30 days from the *Invoice Date* or 3/31/2020.

Payment Date:

SWIFT automatically completes the *Payment Date* and the *Payment Reference IDs* after it processes the voucher for payment.

Prompt Pay Date:

SWIFT generates the *Prompt Pay Date*. 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, do not manually override the *Scheduled Due Date*. Changing it to the current date can result in early payment processing. There may be special circumstances when you need to override this date.

Payment Processing – When are payments made?

Pay Terms and Discounts:

SWIFT defaults *Pay Terms* to “30” days for external suppliers and “000” for inter-agency suppliers. Targeted suppliers’ default to *Pay Terms* of “15.” Suppliers that signed up for the US Bank virtual payment program default to “000.”

Do not change *Pay Terms* unless discounts are available. Or, you can change *Pay Terms* 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. You can add additional *Pay Terms* by contacting the SWIFT Help Desk.

Payment Processing:

SWIFT processes payments 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. SWIFT may use more time to process financial sanctions or to add taxes. SWIFT processes MN Entertainer Tax, MNDOR Revenue Offset, and Federal Reciprocal programs.

ACH Pay Cycle adds 1 day for ACH suppliers

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 suppliers

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