Add Freight and Miscellaneous Charges to a Purchase Order

This guide provides an overview of the freight and miscellaneous charges recorded in SWIFT. It also lays out the steps to add these charges on a new or existing purchase order in SWIFT.

Enter freight and miscellaneous charges 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 page.

Steps to add freight or miscellaneous charges on a new purchase order

- Step 1: Access the Purchase Order page in SWIFT
- Step 2: Update Freight Terms on the Schedules page
- Step 3: update Freight or Miscellaneous Charges on a purchase order
- Step 4: Add the Amount and allocate the Miscellaneous Charges

Steps to add freight or miscellaneous charges on an existing purchase order

- Step 1: Access the Purchase Order page in SWIFT
- Step 2: Access the Schedule page
- Step 3: Update Freight Terms on the Schedules page
- Step 4: Enter or update Freight or Miscellaneous Charges on a purchase order
- Step 5: Add the Amount and allocate the Miscellaneous Charges
Overview of Freight and Miscellaneous Charges

Miscellaneous costs reflect non-merchandise charges related to getting items to the state for receiving. They include freight, taxes and fees other than Sales and Use Tax. Examples of these fees include Ground Water Tax or Hazardous Material Fee.

**Freight is the most common miscellaneous charge recorded in SWIFT.**

Freight is the goods transported to state agencies and their method of transportation.

Freight terms used on purchasing documents determine two things:

- When ownership of the goods passes to the state
- Who pays the freight charges

Freight terms in SWIFT start with *FOB* or “Free on Board”. *FOB* determines when the title for the merchandise passes from the supplier to the State/Agency.

**FOB Destination** is **ALWAYS** used in SWIFT. It means the following:

- The supplier retains the title and control of the goods until they are delivered.
- The supplier selects the carrier and is responsible for the risk of transportation.
- The supplier is responsible for filing claims for loss or damage.

**Freight Terms Codes and Descriptions**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FOB_PALLOW:</strong></td>
<td>FOB Destination, Freight Prepaid and Allowed: This is the default on a PO.</td>
</tr>
<tr>
<td>FOB Destination,</td>
<td>• The vendor includes the cost of shipping in the product cost.</td>
</tr>
<tr>
<td>Prepd &amp; Allow</td>
<td>This Freight Term Code is the most common one used.</td>
</tr>
<tr>
<td><strong>FOB_PADD:</strong></td>
<td>FOB Destination, Freight Prepaid and Added:</td>
</tr>
<tr>
<td>FOB Destination,</td>
<td>• The vendor itemizes shipping cost separately.</td>
</tr>
<tr>
<td>Prepd &amp; Add</td>
<td></td>
</tr>
</tbody>
</table>

For more information about shipping terms, review the Authority for Local Purchase (ALP) manual from the Minnesota Department of Administration. [http://www.mmd.admin.state.mn.us/alpmanual.htm](http://www.mmd.admin.state.mn.us/alpmanual.htm)
Steps to add freight terms on a new purchase order

Step 1: Access the Purchase Order page in SWIFT

1. Navigate to the Purchase Order page.

<table>
<thead>
<tr>
<th>Navigation Options</th>
<th>Navigation Path</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigation Collection</td>
<td>Procurement, Purchasing, Purchase Orders, Purchase Order page defaults.</td>
</tr>
<tr>
<td>WorkCenter</td>
<td>Procurement, Purchasing, Buyer WorkCenter. Left menu Links, Add/Update POs, Purchase Order page.</td>
</tr>
</tbody>
</table>

2. On the Purchase Order page, select the Add a New Value tab, enter your Business Unit and press the Add button.

3. On the Purchase Order page, enter the information to create a purchase order with the applicable line(s). Save as needed.
   - Enter the Header information.
   - Enter the Lines information.

Step 2: Go to the Schedule page to update Freight Terms

1. On the line you want to add freight expenses, select the Schedule icon.

2. On the Schedule page, open the Freight tab to review and update the freight terms as needed.
   - Freight Terms default to “FOB_PALLOW”. Update it to “FOB_PADD”, select Save.
Repeat this step for all lines you want to add freight or a miscellaneous charge.
Select the Return to Main Page link.

Step 3: Enter Freight or Miscellaneous Charges on a purchase order

1. On the main Purchase Order page, select the Go To drop-down menu. It is located at the bottom, right side of the Purchase Order page. Select 13-Header Misc. Charges.

2. SWIFT opens up the Header Misc. Charges page. Select the Miscellaneous Charges link.

3. On the Header - Miscellaneous Charges page, select a Miscellaneous Charge. Typically, you will select “FREIGHT”.

Repeat this step for all lines you want to add freight or a miscellaneous charge.
Select the Return to Main Page link.
Options on the Miscellaneous Charge menu

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FREIGHT Freight Charge</td>
<td>This field is the most commonly selected. It is the charge for goods transported to state agencies.</td>
</tr>
</tbody>
</table>
| GRND WATER Ground Water Tax | Use this field for fees and surcharges related to agricultural pesticides.  
• There is no ground water tax in Minnesota.  
• Ground water tax is often seen on invoices from agricultural pesticides sales.  
• Minnesota Department of Administration recommends removing ground water tax from invoices. Replace it with Minnesota Gross Sales Fee and ACRRA Surcharge on your invoices. |
| HAZARD Hazardous Material Fee | This field can be used for hazardous waste fees. Minnesota Pollution Control Agency and several metropolitan counties charge a fee or require a license to use their hazardous waste facilities. |
| MISC Miscellaneous Charge   | State agencies may use it for their tracking and reporting purposes.                                                                                                                                               |
| SOLIDWASTE Sold Waste Tax   | This field is used for waste management services. The Solid Waste Management (SWM) Tax applies to services for both mixed municipal solid waste and non-mixed municipal solid waste. |
| STEEL Steel Surcharge Fee    | This field is rarely used. It may be used to reflect purchases related to steel processing firms that recover and refine steel.                                                                                     |
| TIVEXCISE Transit Improvement Vehicle Excise Tax | This field is used to reflect fees on the purchase and acquisition of motor vehicles.                                                                                                                               |

Step 4: Add the Amount and allocate the Miscellaneous Charges

1. Choose an Allocation Method and add the Amount.

The Amount is related to the Allocation Method you select. SWIFT uses this field to allocate the amount to selected lines on the purchase order.

Options on Allocation Method

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matl Value</td>
<td>Allocates by value (e.g., material value).</td>
</tr>
<tr>
<td>Quantity</td>
<td>Allocates by quantity (e.g., how many items).</td>
</tr>
<tr>
<td>Volume</td>
<td>Allocates by volume (e.g., amount of space that the object occupies in a shipping container).</td>
</tr>
<tr>
<td>Weight</td>
<td>Allocates by weight (e.g., how much the item weighs).</td>
</tr>
</tbody>
</table>
2. Validate that the Merch Supplier checkbox is selected.
   - Do not select the RTV Credit. SWIFT does not use the RTV functionality.
   - If adding a multiple miscellaneous charges, press the “+” button to add a new line(s). Repeat the steps outlined above for all of these new lines.

3. Press the OK button.

![PO Header Misc. Charges](image)

The updated Header – Miscellaneous Charges page appears.

4. Allocate each of the charge(s).
   - Press the Sel checkbox on each line for which the charge(s) will be allocated.

**NOTE:** You need to change the freight terms on each of these lines as highlighted in Step 3 of this guide.

   - Press the Allocate button and validate that the charge is populated in the Amount field.
   - Repeat these steps for each miscellaneous charge added.
   - When adding multiple miscellaneous charges, use the Allocate All Charges button instead of allocating each charge separately.
After you allocate these costs, SWIFT updates the Amount and Charge Amount fields to reflect these costs.

5. Continue to process the purchase order as required.
   - Press the Save button.
   - Select the Return to Main Page link.

You have successfully added freight or miscellaneous charges on a new purchase order.
Steps to add or update freight or miscellaneous charges on an existing purchase order

Step 1: Access the Purchase Order page in SWIFT

1. Navigate to the Purchase Order page.

<table>
<thead>
<tr>
<th>Navigation Options</th>
<th>Navigation Path</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigation Collection</td>
<td>Procurement, Purchasing, Purchase Order, Purchase Order page defaults.</td>
</tr>
<tr>
<td>WorkCenter</td>
<td>Procurement, Purchasing, Buyer WorkCenter. Left menu Links, Add/Update POs, Purchase Order page.</td>
</tr>
</tbody>
</table>

2. On the Purchase Order page, select the Find an Existing Value tab.

3. SWIFT opens up the Search Criteria section of the Find an Existing Value page.
   - Enter search items such the PO ID. Select Search.
SWIFT opens up search results at the bottom of the page. Press the PO ID link of the purchase order you wish to update.

SWIFT displays the Maintain Purchase Order page for the selected purchase order.

**Step 2: Access the Schedules page**

- Go to the Line section of the Maintain Purchase Order page. On the Details tab, select the Schedule icon.

- SWIFT opens up the Schedules page.

Since the purchase order has already been dispatched, you will need to make a change order. Press the Schedule Details icon. It is on the front of the row.

- SWIFT displays the Details for Schedule page. Select the Change Order icon.

- SWIFT displays the Schedules page for that line.

**Step 3: Update Freight Terms on the Schedules page**

1. On the Schedules page, choose the Freight tab to update the freight terms as. Freight Terms default to “FOB_PALLOW”.

2. Update it to “FOB_PADD” and press the Save button.
3. Select the Return to Main Page link.

Step 4: Update Freight or Miscellaneous Charges on a purchase order

1. On the main Purchase Order page, select the Go To drop-down menu. It is located at the bottom, right side of the Purchase Order page. Select 13-Header Misc. Charges.

2. SWIFT opens up the Header Misc. Charges page. Select the Miscellaneous Charges link.

3. On the PO Header Misc. Charges page, select a Miscellaneous Charge. Typically, you will select “FREIGHT”.

Step 5: Add the Amount and allocate the Miscellaneous Charges

1. Choose an Allocation Method and add the Amount.

The Amount is related to the Allocation Method you select. SWIFT uses this field to allocate the amount to selected lines on the purchase order.
2. Validate that the *Merch Supplier* checkbox is selected.
   - Do not select the *RTV Credit*. SWIFT does not use the RTV functionality.
   - If adding a multiple miscellaneous charges, press the “+” button to add a new line(s).
   - Repeat the steps outlined above for all of these new lines.

3. Press the **OK** button.

   ![PO Header Misc. Charges](image)

   The updated **Header – Miscellaneous Charges** page appears.

4. Allocate each of the charge(s).
   - Check the **Sel** box on each line for which the charge(s) will be allocated.
   - Choose the **Allocate** button.

   ![Maintain Purchase Order](image)
5. Validate that the charge is populated in the *Amount* field.

<table>
<thead>
<tr>
<th>Set</th>
<th>Line</th>
<th>Item ID</th>
<th>Description</th>
<th>Amount</th>
<th>PO Qty</th>
<th>Merch Qty</th>
<th>Currency</th>
<th>Packing Weight</th>
<th>Weight UOM</th>
<th>Pallet Volume</th>
<th>Volume UOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td></td>
<td>Headphones</td>
<td>1.77</td>
<td>60.000</td>
<td>9.250.000</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td></td>
<td>Extension cord</td>
<td>0.01</td>
<td>2.000</td>
<td>2.400.000</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td></td>
<td>Batteries</td>
<td>0.42</td>
<td>50.000</td>
<td>62.500</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>4</td>
<td></td>
<td>Gloves</td>
<td>3.00</td>
<td>150.000</td>
<td>2.700.000</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>5</td>
<td></td>
<td>Gloves</td>
<td>3.63</td>
<td>150.000</td>
<td>577.500</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Repeat these steps for each miscellaneous charge added.

When adding multiple miscellaneous charges, use the **Allocate All Charges** button instead of allocating each charge separately.

6. Continue to process the purchase order as required.

You have successfully added or updated freight or miscellaneous charges on an existing purchase order.