SWIFT STATEWIDE INTEGRATED FINANCIAL TOOLS

QUICK REFERENCE GUIDE

February 20, 2024

Add Freight and Miscellaneous Charges to a Purchase Order

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

If you have questions about creating and processing a purchase order, please view the Purchase Orders/Purchasing Assets Quick Reference Guides.

Overview of Freight and Miscellaneous Charges

NOTE: When you are in the Purchase Order page, 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.

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

Freight Terms Codes	Description
FOB_PALLOW: FOB Destination, Prepd & Allow	**FOB Destination, Freight Prepaid and Allowed:** • This is the default on a purchase order. • The vendor includes the cost of shipping in the product cost. • This Freight Term Code is the most common one used.
FOB_PADD: FOB Destination, Prepd & Add	**FOB Destination, Freight Prepaid and Added:** • The vendor itemizes shipping cost separately.

For more information about shipping terms, review the Authority for Local Purchase (ALP) manual from the Minnesota Department of Administration.

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

Step 1: Access the Purchase Order page in SWIFT

1. Navigate to **Purchase Order** page.

Navigation Options	Navigation Path
Navigation Collection	Procurement, Purchasing, Purchase Orders, Purchase Order page defaults.
WorkCenter	Procurement, Purchasing, Buyer WorkCenter. Left menu Links, Add/Update POs, Purchase Order page.

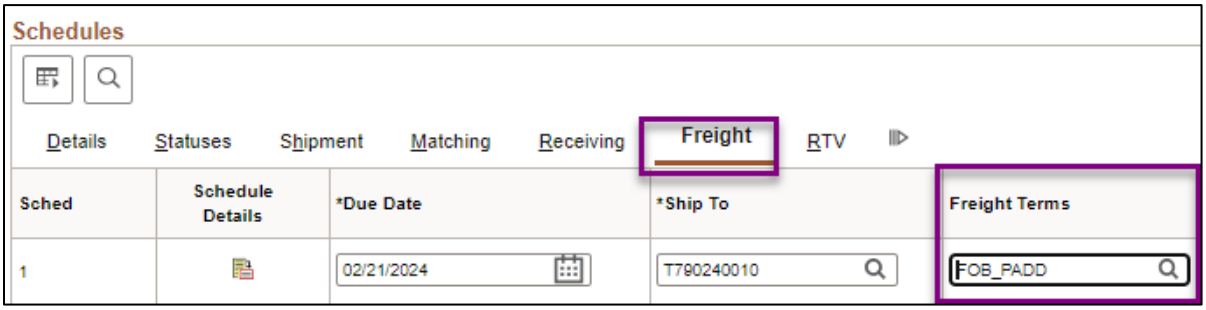
2. On the Add a New Value page, enter your Business Unit and press the **Add** button.
3. On the Purchase Order page, enter the information to create a purchase order with the applicable line(s). Save as needed.

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

1. In 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.
    a. Freight Terms default to “FOB_PALLOW.” Update it to “FOB_PADD.”

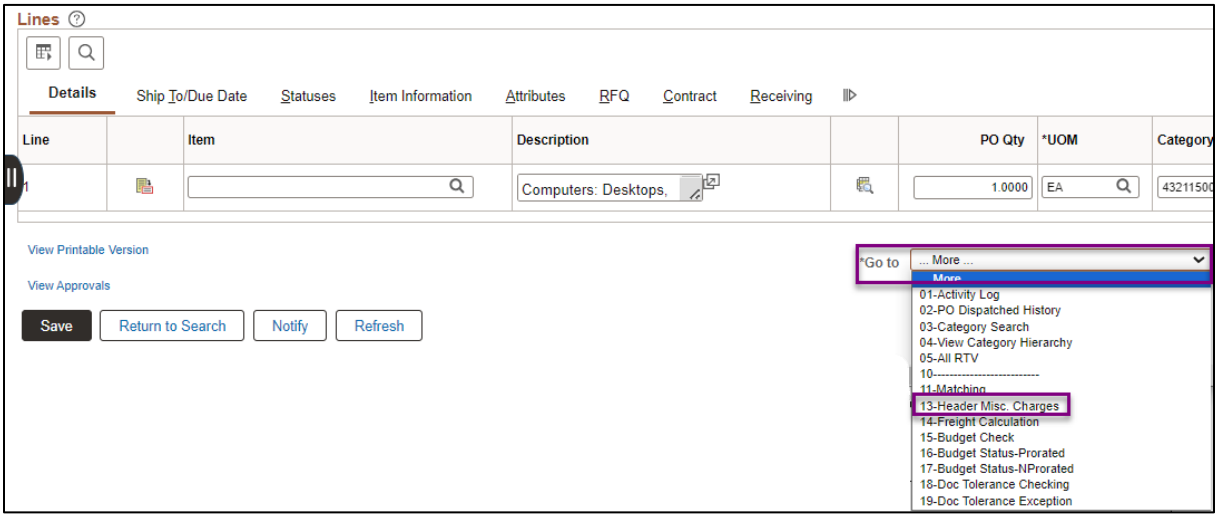
b. Select **Save.**



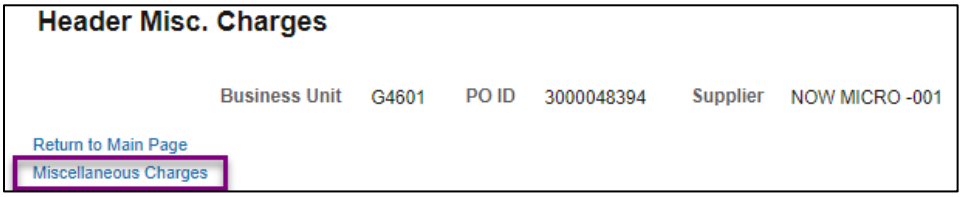
c. Repeat this step for all lines you want to add freight or a miscellaneous charge.
d. When you're done, select the **Return to Main Page** link.

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

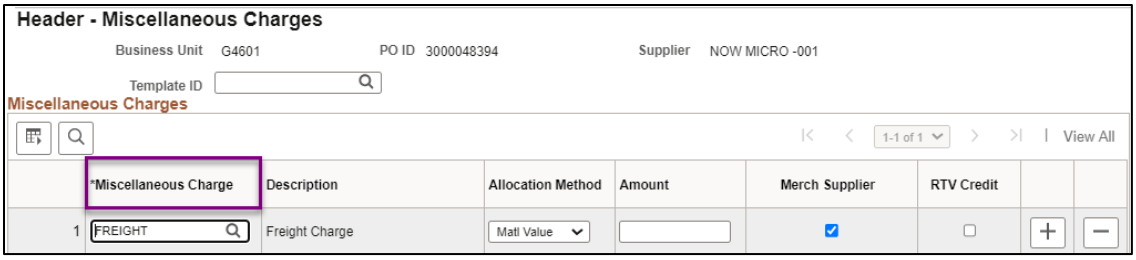
1. On the main Purchase Order page, select the **Go To** drop-down menu. It is located at the bottom, right side of the Purchase Order page. Select **13-Header Misc. Charges**.



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."



Options in the Miscellaneous Charge menu.

Field Name	Field Description
FREIGHT Freight Charge	This field is the most commonly selected. It is the charge for goods transported to state agencies.
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.

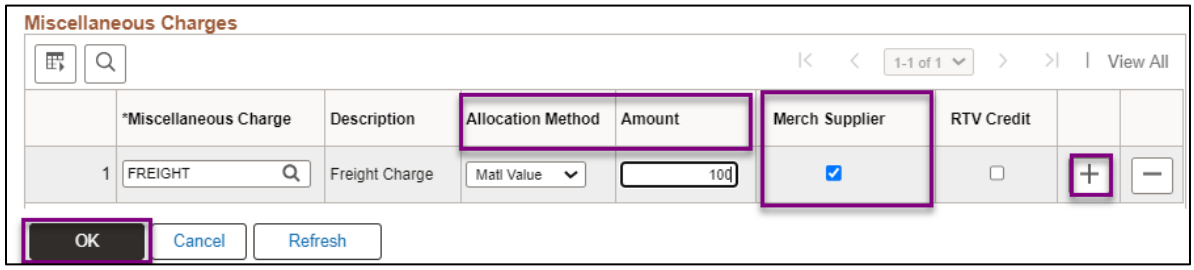
Step 4: Add the Amount and allocate the Miscellaneous Charges

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.

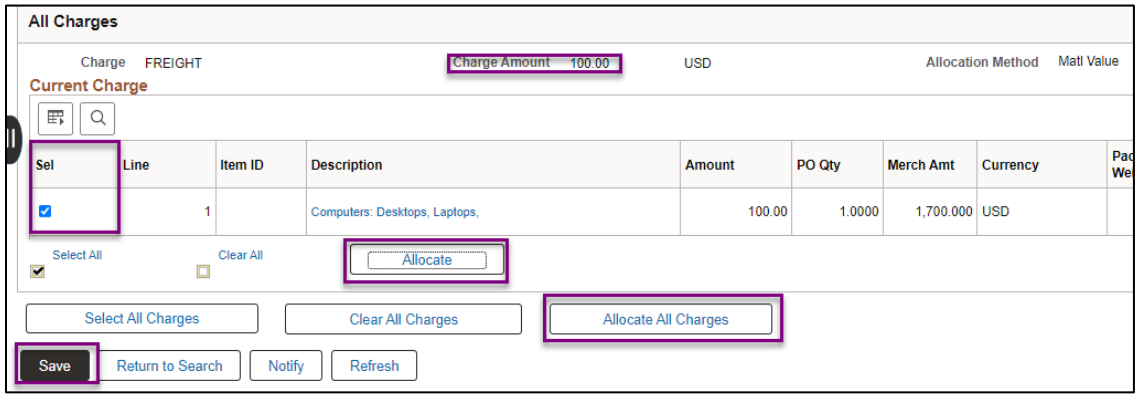
Options on Allocation Method

Field Name	Field Description
Matl Value	Allocates by material value.
Quantity	Allocates by quantity, which is how many items.
Volume	Allocates by volume, which is the amount of space that the object occupies in a shipping container.
Weight	Allocates by weight.

2. Validate that the **Merch Supplier** checkbox is selected.
    a. If you're adding a multiple miscellaneous charges, press the "+" button to add a new line(s).
    b. Repeat the steps outlined above for all of these new lines.
    c. Press the **OK** button.



3. SWIFT displays the updated Header – Miscellaneous Charges page.
    a. Press the **Sel** checkbox on each line for which the charge(s) will be allocated.
    b. Repeat these steps for each miscellaneous charge added.
    c. When adding multiple miscellaneous charges, use the **Allocate All Charges** button instead of allocating each charge separately.
4. After you allocate these costs, SWIFT updates the Amount and Charge Amount fields to reflect these costs. Press the **Save** button.



5. Select the **Return to Main Page** link.
6. Continue to process the purchase order as required.

You have successfully added freight or miscellaneous charges on a new purchase order.

SWIFT STATEWIDE INTEGRATED FINANCIAL TOOLS

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

Step 1: Access the Purchase Order page in SWIFT

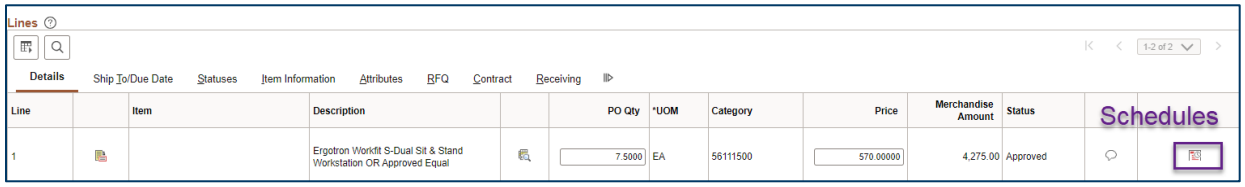
1. Navigate to **Purchase Order** page.

Navigation Options	Navigation Path
Navigation Collection	Procurement, Purchasing, Purchase Orders, Purchase Order page defaults.
WorkCenter	Procurement, Purchasing, Buyer WorkCenter. Left menu Links, Add/Update POs, Purchase Order page.

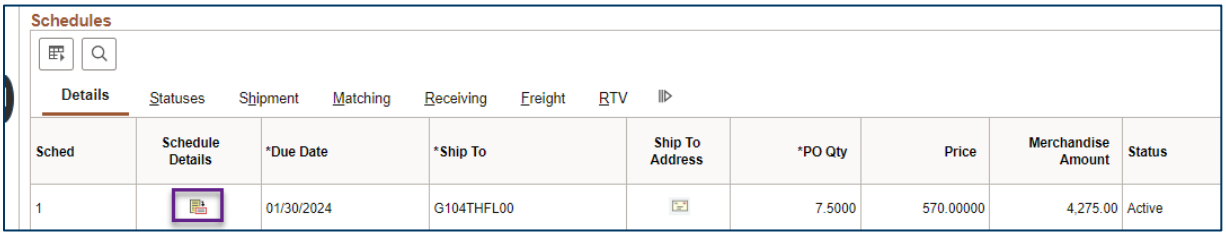
2. On the Add a New Value page, select the **Find an Existing Value** button.
3. SWIFT opens up the Search Criteria section of the Find an Existing Value page. Enter search items such the PO ID. Select **Search**.
4. SWIFT opens up search results at the bottom of the page. Press the **PO ID** link of the purchase order you wish to update.

Step 2: Access the Schedules page

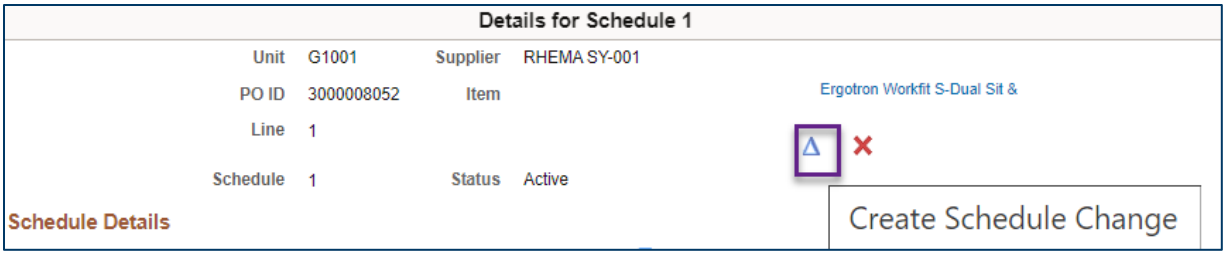
1. SWIFT displays the Maintain Purchase Order page for the selected purchase order. Go to the Line section of the Maintain Purchase Order page. On the Details tab, select the **Schedule** icon.



2. SWIFT opens up the Schedules page.
    a. 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.

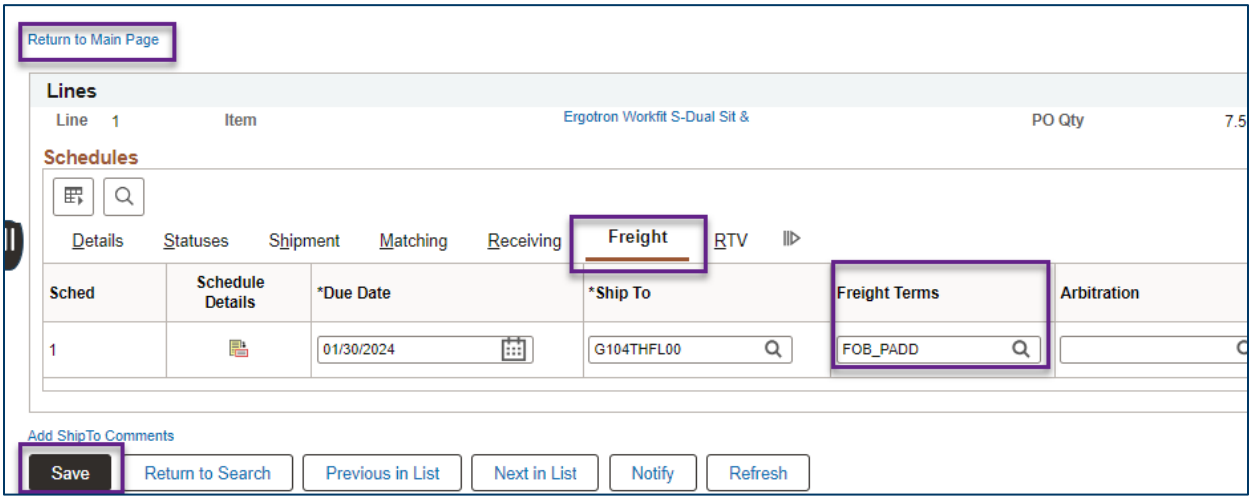


    b. SWIFT displays the Details for Schedule page. Select the **Create Schedule Change** icon.



Step 3: Update Freight Terms on the Schedules page

1. SWIFT displays the Schedules page for that line.
    a. On the Schedules page, choose the Freight tab to update the freight terms.
    b. Freight Terms default to “FOB_PALLOW.” Update it to “FOB_PADD” and press the **Save** button.
2. Select the **Return to Main Page** link.



3. Follow **Steps 3 and 4** highlighted in the **Add Freight or Miscellaneous Charges on a New Purchase Order** section of this guide.

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