

Update the Sales Tax Settings on an Existing Purchase Order


Local, county and state sales and use tax rates can change. These new tax rates impact existing dispatched purchase orders and how SWIFT handles these tax rate changes.

- SWIFT uses “Sales Tax” for taxes paid to the supplier (excluded from the state’s Direct Pay Permit).
- “Use Tax” represents taxes paid directly to the Department of Revenue (included in the State’s Direct Pay Permit).
- SWIFT defaults the tax setting on the Category field based on the Department of Revenue’s recommendation and/or the setting most often used in state purchases. The tax setting of “Taxable” or “Not Taxable” is a default only. Review and update this field as needed for each purchase.

Tax increases and decreases impact purchase orders that are in a “Dispatched” status. For tax changes, review each Schedule line on the dispatched purchase order. Update the Tax Code on Schedule Lines that are impacted by the tax increase or decrease.

The Minnesota Department of Revenue will provide the details of the tax change. Look at the dates, type of purchase, and other requirements from the Minnesota Department of Revenue’s announcement.

Use this reference guide to help review and update the Tax Code on dispatch purchase orders impacted by a tax change. This guide uses this example, which is a sample only.



SAMPLE ONLY

St. Paul, 1.0 Percent Sales And Use Tax

Starting October 1, 2020, the City of St. Paul will have 1.0 percent sales and use tax. The Minnesota Department of Revenue will administer this tax. Revenues will fund the rebuilding and repair of essential transportation corridors and related ancillary roads within the city, including but not limited to Minnesota Street, Wabasha Street, and other essential corridors identified in Ordinance No. XX-XX. This 1.0 percent sales tax applies to retail sales made into St. Paul. The use tax applies to taxable items used in the City if the local sales tax was not paid. For more information, see Fact Sheet XXX, Local Sales and Use Taxes.

Steps to complete

- Step 1: Access the list of purchase orders impacted by the tax change in SWIFT.
- Step 2: Create a Change Order and update the PO Date on the header of a purchase order impacted by the tax change.
- Step 3: Review each Schedule line and create a Change Order on the Schedule Details page for each line that is impacted by the tax change.
- Step 4: Review and update the Tax Code on each line impacted by the tax change.

Steps to update the Sales Tax settings on an existing purchase order

Step 1: Access the list of purchase orders impacted by the tax change in SWIFT.

1. If there are many purchase orders impacted by the tax change, there may be a *Location Code* report on Minnesota Management and Budget's (MMB) website.

Home > Accounting > SWIFT > Forms

Accounting

- Payroll
- SEMA4
- SWIFT
- General Information
- Budget & Accounting Instructions
- Training & Support
- Help Desk
- Interface Instructions
- Reporting
- Record Retention
- Forms**
- Vendor Resources
- Security
- Statewide Financial Policies
- Statewide Financial Reports

SWIFT FORMS

Budget Forms

- Budget Structure Change - June 06, 2017 (excel format)
- Request to Establish or Modify a Fund (word format)
- Form 0702-01.1F Request to Open Closed Year Appropriation and/or Reinstatement Cancelled Money Form
- FinDeptID Template - June 14, 2011 (excel format)
- SpeedChart Template - June 1, 2011 (excel format)
- SpeedType Template - June 1, 2011 (excel format)
- SWIFT GL Jrnl Template (excel format): June 2017
- SWIFT Exp Bud KK Jrnl Template (excel format): June 2017
- SWIFT Rev Bud KK Jrnl Template (excel format): June 2017

Vendor Payments Forms

- Warrant Special Handling Request (pdf format)
- Substitute W-9 Form (pdf format)
- Vendor Change Request Form pdf format

General Procurement Forms

The MDHR Request Form (excel format) should be used when requesting a new or change in MDHR status for a vendor. A Human rights certification is required when encumbering a purchase order over \$100,000. This form will also be used for the The Equal Pay Certification (EPC) requirement for vendors which happens with a purchase order over \$500,000 or more is entered.

The **Location Request form (MS Excel version)** should be used when requesting a change to an existing location or requesting a new location to be added for an agency. The location in SWIFT may represent a Bill To Location, Agency Location, Ship To location or Asset Location for an agency.

- a. If there is a *Location Code* report, you can find it on the *Location Request form* on the *SWIFT Forms* page in the *Accounting* section.
<https://mn.gov/mmb/accounting/swift/forms/>
- b. If there is a report, look for the *Current Code* to find the *Current Tax Rate* on the *Location Request form* which MMB updates as needed.

Code	Current Code	New Code	Current Rate	New Rate	
Location					Descr
E26265ACCT	0359	0359	8.125	7.125	NORTHLAND COMM COLLEGE
R294100051	0359	0359	8.125	7.125	DNR PAT RED RIVER REC AREA
H556905	0359	0359	8.125	7.125	EAST GRAND FORKS
B041154	0359	0359	8.125	7.125	PLANT PROTECTION DIV EGF
B22EGRANDF	0359	0359	8.125	7.125	GRAND FORKS CAREERFORCE LOC
T790925528	0359	0359	8.125	7.125	MNDOT DIST 2 EAST GRAND FORKS

2. If there isn't a report, look in SWIFT to find purchase orders by *Location Code* impacted by a tax change.
 - a. Navigate to the *Purchase Order* page.

Navigation Options	Navigation Path
Navigation Collection	Procurement, Purchasing, Purchase Order, Purchase Order page defaults.

- b. On the *Purchase Order* page, select the *Keyword Search* tab. Open up the *Search Criteria* section and select the *Advanced Search* link.

SWIFT STATEWIDE INTEGRATED FINANCIAL TOOLS

Purchase Order

Enter any information you have and click Search. Leave fields blank for a list of all values.

Note: Keyword Search will return results last updated 3 days ago (09/21/2020 9:18:27AM)

Keywords:

c. SWIFT opens up the keyword search options. Select the *PO Status* of “Dispatched.”

Keywords:

Business Unit =

PO ID contains

Origin contains

Purchase Order Date =

PO Status =

d. Enter the *Location Code* impacted by the tax change and select **Search**.

contains

Ship To Location Description: contains

Ship To Description Short: contains

Due Date: =

RFQ ID: contains

Attention To: contains

Backorder Status: contains

Contract ID: contains

GPO Contract: contains

Requisition ID: contains

Return To Vendor (Supplier) ID: contains

Sales Order: contains

Work Order ID: contains

Event ID: contains

Entered By: contains

Procurement Comments: contains

e. SWIFT displays the list of dispatched purchase orders with the *Location Code*. Review each purchase order by reviewing the *Sales/Use Tax* page. Look in the *Amount Summary* section. Ones that have “Freight/Tax/Misc.” may need to be updated.




Amount Summary [?]		
Merchandise	1,416.20	
Freight/Tax/Misc.	125.69	
Total Amount	1,541.89	USD
Encumbrance Balance	1,541.89	USD

- f. Select the *Freight/Tax/Misc.* link on the purchase order. SWIFT will open the *PO Total Amounts* page, where you can see if there is *Sales/Use Tax*.



PO Total Amount	
Merchandise	1,416.20
Freight	0.00
Miscellaneous	0.00
Sales/Use Tax	125.69

Step 2: Create a Change Order and update the PO Date on the header of a purchase order impacted by the tax change.

1. After you determine a purchase order to update, select the **Change Order** icon at the header.

Purchase Order			
Business Unit	G1001	Origin: 514	Management Services
PO ID	3000005934	Approval Exception	Budget Status Valid
		PO Status	Dispatched   

2. Update the *PO Date* to align the purchase order with the date of the tax change.

Header [?]	
*PO Date	10/01/2020 
Expiration Date	
	Response Documentation
	Supplier Search

3. Save the purchase order.

Step 3: Review each Schedule line and create a Change Order on the Schedule Details page for each line that is impacted by the tax change.

IMPORTANT! Review each *Schedule* line individually to determine if the *Tax Code* needs to be updated. Follow this process for each *Schedule* line.

1. On the *Maintain Purchase Order* page, go to lines section. On the *Details* tab of a line, select the **Schedule** icon.

Line	Item	Description	PO Qty	UOM	Category	Price	Merchandise Amount	Status
1		9 x 12 open side, double side seam booklet envelope with vertical window Product code: 1547110 Qty: 10 Price: \$141.82 ea Total: \$1,418.20	10.0000	EA	14111800	141.82000	1,418.20	Approved

- SWIFT displays the *Schedules* page. Since the purchase order has already been dispatched, make a change order on the individual line. Press the **Schedule Details** icon. It is located on the left side of the *Schedules* line.

Sched	*Due Date	*Ship To	*PO Qty	Price	Merchandise Amount	Status
1	09/22/2020	G104THFL00	10.0000	141.82000	1,418.20	Active

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

Unit G1001 Supplier HEINRICH E-001

PO ID 3000005934 Item 9 x 12 open side, double side

Line 1

Schedule 1 Status Active

- SWIFT displays the *Schedules* page for that line. Select the **Sales/Use Tax** icon.

Sched	*Due Date	*Ship To	*PO Qty	Price	Merchandise Amount	Status
1	09/22/2020	G104THFL00	10.0000	141.82000	1,418.20	Active

- SWIFT displays the *Sales/Use Tax Information for Schedule* page. Settings on it will vary. They are based on the *Category Code* you added on the line and the *Ship To* field on the *Schedule* line.
 - Category Code* determines taxability.
 - The *Ship To* field determines the rate, sales tax, and any local, county or transit taxes.

Step 4: Review and update the Tax Code on each line impacted by the tax change.

- Verify the *Tax Code*. The *Tax Code* is the total amount of tax charged on a transaction. *Tax Codes* default from the *Ship To* address. Note the *Tax Code* and the *Rate*.

Tax Code 1943				Merchandise Amount	
Tax Basis Amount	1,416.20	Rate	7.8750	Use Tax Amount	111.53
				Total Tax	111.53

2. Update the *Tax Code* as needed on the *Sales/Use Tax Information for Schedule* page for that *Schedule* line.

- a. Clear out the *Tax Code* field and enter any other *Tax Code*, such as “0000.” Then, select **OK**.

SUT Excpn Cert 1114				Merchandise Amount	
Tax Code 0000					
Tax Basis Amount	1,416.20	Rate	7.8750	Use Tax Amount	111.53
				Total Tax	111.53
OK		Cancel		Refresh	

- b. Return to the *Sales/Use Tax Information for Schedule* page. Update the *Tax Code* field with the original *Tax Code*. Select **OK**.

Tax Code 1943				Merchandise Amount	
Tax Basis Amount	1,416.20	Rate	7.8750	Use Tax Amount	111.53
				Total Tax	111.53

- c. SWIFT will update the purchase order with the new *Tax Rate* and other taxes as appropriate. Return to the *Sales/Use Tax Information for Schedule* page to see the update.

SUT Excpn Cert 1114				Merchandise Amount	
Tax Code 1943				1,416.20	
Tax Basis Amount	1,416.20	Rate	8.8750	Use Tax Amount	125.69
				Total Tax	125.69

3. After reviewing and updating all of the Schedules lines impacted by the tax change, continue processing this purchase order. Save it, budget check it and dispatch it.

You have successfully reviewed and updated the Schedule Lines and Tax Code on a purchase order impacted by a tax change.