

### About Using Pay Terms

State Agencies and Institutions are required to pay for all completely delivered goods and services by the required payment due date. The CAPP Manual Topic 20315 Prompt Payment sets forth the policies regarding the payment for goods and services and contractual agreements with nongovernmental and privately-owned businesses.

Per CAPP Topic 20315, the required payment due date is established by the terms of the contract; or if no contract exists, the required payment due date shall be thirty calendar days after receipt of a proper invoice, or thirty days after the receipt of goods or services, whichever is later.

When creating a Cardinal voucher, it is imperative the correct Pay Term is selected on a voucher in order to ensure:

- disbursement of state funds are processed timely and in accordance with the requirements of the Prompt Pay Statutes
- accurate prompt payment reporting out of Cardinal

This job aid provides information on using the correct Pay Term in Cardinal.

### Cardinal Payment Due Date Processing

Every voucher in Cardinal requires a scheduled payment date which is populated based on the selected Pay Terms. In Cardinal, there are three Pay Terms configured to facilitate processing vouchers with the correct Payment due date. Two are subject to prompt payment policy and one is not.

Subject to Prompt Payment Policy:

- **30** – Net 30 (Net 30): This term is used when there is no specified payment date in the contract and payment is due thirty days after the receipt of the invoice or the goods or services, whichever is later.
- **00PP** – Due Immediately Prompt Payment (Due Now PP): This term is used when there is a specified payment date in the contract.

Not subject to Prompt Payment policy:

- **00** – Due Immediately (Due Now): This term is used when the voucher does not require a due date and is not subject to Prompt Payment statutes.

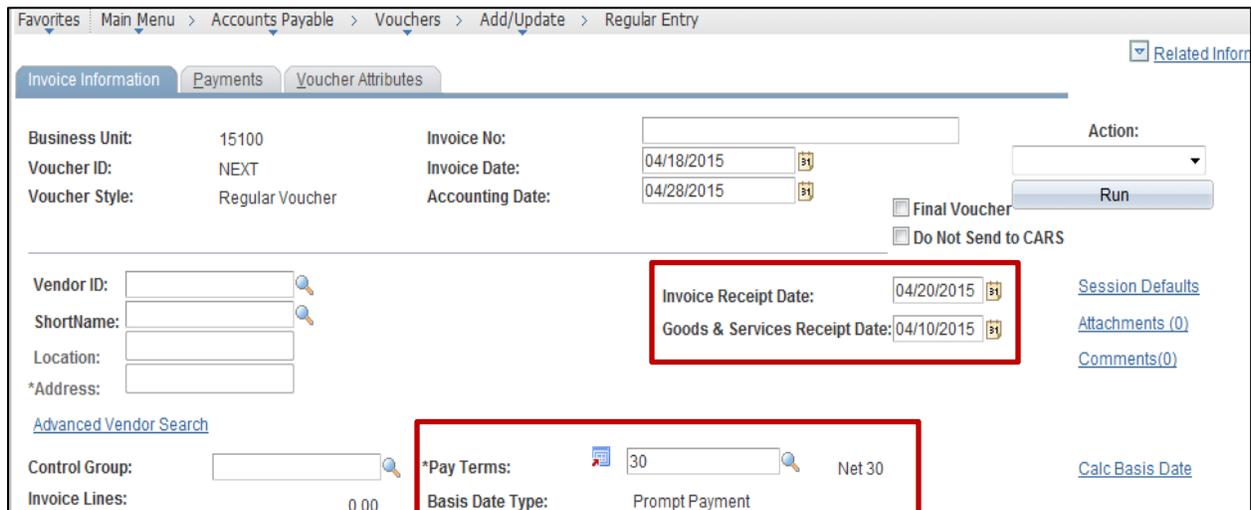
Cardinal Prompt Payment reports and the interface to send prompt payment statistics to Department of Accounts (DOA) include vouchers using Pay Terms 30 and 00PP. The reports and interface automatically omit payments to vendors classified as State Agencies, Local Governments or Federal Government.

### Entering Pay Terms on a Voucher

The use of each Pay Terms is slightly different. This section will review what you must do in Cardinal for each Pay Term. Note that Pay Terms are only changed on the Invoice Information page, not on the Payments page.

#### Using Pay Term - 30 – Net 30:

The **Net 30** Term defaults on all Cardinal vouchers.



When using **Net 30**, the **Invoice Receipt Date** and/or the **Goods & Services Receipt Date** are used to calculate the payment due date. It is critical that these two date fields are entered accurately.

The later of the two dates is used as the start date and 30 days from that date is calculated as the **Schedule Due** date on the voucher.

The **Basis Date Type** field specifies the business rule for due date calculation. This field defaults to **Prompt Payment**.

The calculated **Scheduled Due** date displays on the voucher **Payments** tab.



# Accounts Payable Job Aid

## SW AP312 Using Pay Terms

Navigation: Favorites | Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry

Related Information: [Related Information](#)

Invoice Information | **Payments** | Voucher Attributes

Business Unit:	15100	Invoice No:	12345	Action:	
Voucher ID:	NEXT	Invoice Date:	04/18/2015	Run	
Voucher Style:	Regular Voucher			Schedule Payments	
Total Amount:	300.00				
Vendor Name:		*Pay Terms:	30 Net 30		

Payment Information

Payment: 1

*Remit to:		Gross Amount:	300.00 USD	Payment Inquiry
Location:		Discount:	0.00 USD	<a href="#">Express Payment</a>
*Address:		<b>Scheduled Due:</b>	05/26/2015	<a href="#">Payment Comments(0)</a>
		Net Due:	05/20/2015	<a href="#">Holiday/Currency</a>
		Discount Due:		
		Accounting Date:		

Note that the **Scheduled Due** reflects the actual calculated due date even if that date is in the past. This ensures accurate reporting of days late.

Once the voucher is approved, it will be selected for payment based on the **Scheduled Due** date. Payments are selected by Cardinal Pay Cycle, two business days prior to the **Scheduled Due** date (as displayed on the **Payments** page) with the exception of EPAY, which is processed approximately 15 business days before the due date.



# Accounts Payable Job Aid

## SW AP312 Using Pay Terms

### Pay Term 00PP – Due Immediately Prompt Pay:

To use **00PP** as your Pay Term on your Cardinal voucher, follow the steps outlined below.

Invoice Information | Payments | **Voucher Attributes** | Related Inform

Business Unit: 15100 Invoice No: 123456 Action: [Dropdown]  
Voucher ID: NEXT Invoice Date: 05/20/2015 [BT] [Run]  
Voucher Style: Regular Voucher Accounting Date: 05/26/2015 [BT] [Final Voucher] [Do Not Send to CARS]

Vendor ID: [Field] ShortName: [Field] Location: [Field] \*Address: [Field]  
[Advanced Vendor Search](#)

Invoice Receipt Date: 05/26/2015 [BT] Goods & Services Receipt Date: 05/04/2015 [BT] [Session Defaults](#)  
[Attachments \(0\)](#)  
[Comments\(0\)](#)

Control Group: [Field] \*Pay Terms: [30] Net 30 [Calc Basis Date](#)

Invoice Lines: 0.00 Basis Date Type: Prompt Payment

- 1 Enter the **Invoice Receipt Date** and **Goods and Services Receipt Date**.

While these fields do not impact the payment due date on the voucher, they are still required for accrual reporting

- 2 Click the **Transfer to Pay Terms Detail** icon to access the **Payment Terms** page.

[Back to Invoice](#)  
 Business Unit: 15100 Invoice Number: 123456 VAT Entity:  
 Voucher ID: NEXT Vendor: Invoice Date: 05/20/2015  
 \*Payment Terms ID: 00PP  Due Immediately Prompt Pay  
 \*Due Date Control: User  
 Basis Date Type:  
 Basis Date:  
 Discount Due Date:  
 Due Date: 06/05/2015  
 \*Discount Amount Control: Terms  
 Account At: Gross

- 3 Click the **Payment Terms ID** lookup button.
- 4 Select **00PP**.
- 5 Click the **Due Date Control** dropdown menu.
- 6 Select **User**. Selecting this value will allow you to enter a specific **Due Date**.
- 7 Enter the appropriate scheduled payment date in the **Due Date** field. This field is only populated by the processor when Pay Term 00PP is used. The value entered will be set on the voucher as the Scheduled Due Date.
- 8 Click the **Back to Invoice** link to complete your voucher.

The **Scheduled Due** date selected by the processor displays on the voucher **Payments** tab.



# Accounts Payable Job Aid

## SW AP312 Using Pay Terms

Favorites | Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry

Invoice Information | **Payments** | Voucher Attributes

Business Unit: 15100 Invoice No: 123456 Action:   
 Voucher ID: NEXT Invoice Date: 05/20/2015   
 Voucher Style: Regular Voucher   
 Total Amount: 300.00   
 Vendor Name: \*Pay Terms: 00PP Due Now PP

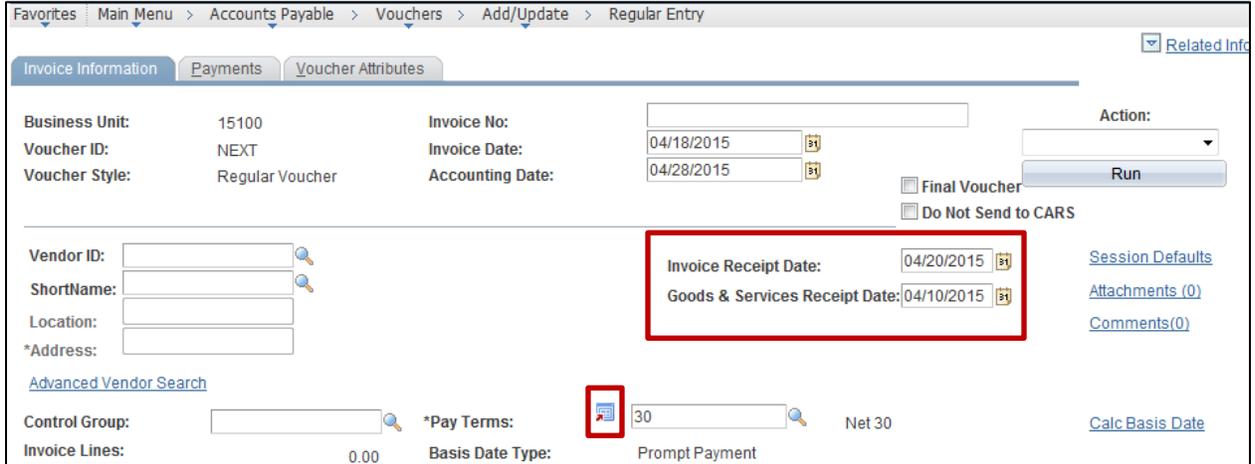
Payment Information

Payment: 1   
 \*Remit to:   
 Location:   
 \*Address:   
 Gross Amount: 300.00 USD   
 Discount: 0.00 USD   
 Scheduled Due: 06/05/2015   
 Net Due: 06/05/2015   
 Discount Due:   
 Accounting Date:   
 Payment Inquiry   
 Express Payment   
 Payment Comments(0)   
 Holiday/Currency

Once the voucher is approved, it will be selected for payment based on the **Scheduled Due** date. Payments are selected by Cardinal Pay Cycle, two business days prior to the **Scheduled Due** date (as displayed on the **Payments** page) with the exception of EPAY, which is processed approximately 15 business days before the due date.

### Pay Term 00 – Due Immediately:

To use **00** Due Immediately as your Pay Term, follow the steps outline below.



The screenshot shows the 'Voucher Attributes' tab in the Accounts Payable software. The 'Invoice Information' section includes fields for Business Unit (15100), Invoice No., Invoice Date (04/18/2015), Invoice Receipt Date (04/20/2015), Voucher ID (NEXT), Invoice Date (04/18/2015), Voucher Style (Regular Voucher), Accounting Date (04/28/2015), Goods & Services Receipt Date (04/10/2015), and Action (Run). The 'Vendor Information' section includes Vendor ID, ShortName, Location, and \*Address. The 'Advanced Vendor Search' section includes Control Group, \*Pay Terms (30), and Basis Date Type (Prompt Payment). The 'Invoice Lines' section shows 0.00. The 'Final Voucher' and 'Do Not Send to CARS' checkboxes are also visible.

- 1 Enter the **Invoice Receipt Date** and **Goods and Services Receipt Date**.

While these fields do not impact the payment due date on the voucher, they are still required for accrual reporting

- 2 Click the **Transfer to Pay Terms Detail** icon to access the **Payment Terms** page.

Navigation: Favorites | Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry

[Back to Invoice](#) [Related In](#)

**Payment Terms**

Business Unit:	15100	Invoice Number:	123456	VAT Entity:	
Voucher ID:	NEXT	Vendor:		Invoice Date:	05/20/2015

\*Payment Terms ID:  

\*Due Date Control:

Basis Date Type:

Basis Date:

Discount Due Date:

Due Date:

\*Discount Amount Control:

Account At:

- 3 Click the **Payment Terms ID** lookup button.
  - 4 Select **00 (Due Immediately)**.
  - 5 Click the **Basis Date Type** dropdown menu button.
  - 6 Select **Inv Date**. The **Inv Date** option is used in conjunction with **00** Pay Terms only. The **Invoice Date** entered on the voucher header page is the basis for the due date, Even if the Invoice date is in the past, this field still populates with that date.
  - 7 Click the **Back to Invoice** link to complete your payment voucher.
- The calculated **Scheduled Due** date displays on the voucher **Payments** tab.



# Accounts Payable Job Aid

## SW AP312 Using Pay Terms

Favorites | Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry

Invoice Information | **Payments** | Voucher Attributes

Business Unit: 15100 Invoice No: 123456 Action:   
 Voucher ID: NEXT Invoice Date: 05/20/2015   
 Voucher Style: Regular Voucher   
 Total Amount: 300.00   
 Vendor Name: \*Pay Terms: 00 Due Now

Payment Information

Payment: 1   
 \*Remit to:   
 Location:   
 \*Address:   
 Gross Amount: 300.00 USD   
 Discount: 0.00 USD   
 **Scheduled Due: 05/26/2015**   
 Net Due: 05/20/2015   
 Discount Due:   
 Accounting Date:   
 Payment Inquiry   
 Express Payment   
 Payment Comments(0)   
 Holiday/Currency

Once the voucher is approved, it will be selected for payment based on the **Scheduled Due** date. If the Scheduled Due date is in the past, it will be selected for payment the day it is approved. Payments are selected by Cardinal Pay Cycle, two business days prior to the **Scheduled Due** date (as displayed on the **Payments** page) with the exception of EPAY, which is processed approximately 15 business days before the due date.

Payments with **00** Pay Terms are not included in Prompt Payment reports or calculations, so they will not be reported as late, even if the Payment date is after the **Scheduled Due** date.



# Accounts Payable Job Aid

## SW AP312 Using Pay Terms

### PAY TERM SUMMARY:

The following Chart summarizes the options for each Pay Term as outlined in the previous section:

PAY TERM	DUE DATE CONTROL	BASIS DATE TYPE	DUE DATE
30	Terms	Prompt Payment	BLANK
00	Terms	Inv Date	BLANK
00PP	User	BLANK	Actual Due Date

### EXAMPLES:

#### Utility Bill

Due date of 5/05/15

Due date determined by the terms of the contract

PAY TERM	DUE DATE CONTROL	BASIS DATE TYPE	DUE DATE
00PP	User	BLANK	5/05/2015

#### Regular Voucher

Due date is not specified in related contract terms

PAY TERM	DUE DATE CONTROL	BASIS DATE TYPE	DUE DATE
30	Terms	Prompt Payment	*BLANK

#### Board Member Reimbursement

Paid upon receipt of acceptable reimbursement request

PAY TERM	DUE DATE CONTROL	BASIS DATE TYPE	DUE DATE
00	Terms	Inv Date	*BLANK

\* The **Due Date** field is blank. The **Scheduled Due Date** field (on the **Payments** tab); will be populated when the voucher is saved.

### Interfacing Agencies:

Interfacing agencies use the same three payment terms:

- **00** – Due now
- **00PP** – Due now (Prompt Pay eligible)
- **30** – NET30 (Prompt Pay eligible)

Payment for goods and service and contractual agreements with nongovernmental and privately-owned businesses are subject to prompt pay reporting.

The table below includes the date fields used in conjunction with the payment terms in Cardinal. It provides a description of the field and whether it is required as part of the voucher upload.

DATE FIELD	DESCRIPTION	REQUIRED IN UPLOAD?
Invoice Date	The date for which the invoice is issued for the goods or service	Yes
Invoice Receipt Date	The date for which the invoice is actually received by the agency	Yes
Goods & Services Receipt Date	The date for which the goods or service is received	Yes
Scheduled Due Date	The date the payment is due to the vendor	*Yes <b>*Except when using NET30</b>

**Important Note:** Vouchers will fail the upload if a required field is not populated.

### Due Date Calculation:

- Payment Term of **NET30** = 30 days after the Goods & Services Receipt Date or Invoice Receipt Date, whichever is later.
- Payment Terms of **00** or **00PP** = Scheduled Due Date is required in the interface with these Pay Terms:
  - When due date cannot use the **NET30** calculation
  - Payments with Payment Term **00** will NOT be included in prompt pay
  - Payments with Payment Term **00PP** will be included in prompt pay

### Other Pay Term Clarifications:

- Payments to Bank of America for SPCC or ATC should use the **00PP** Pay Term with a scheduled due date of the 7<sup>th</sup> of the month. Ensure the voucher is entered in time to go through edit, budget check, approvals and payment processing in time to meet this date.

Payments are dated two business days in the future once they are pulled for payment in Cardinal, so the related voucher must be fully validated and approved in Cardinal before 6:30 p.m. at least **two business** days prior to the 7<sup>th</sup> of the month.

- When using the **00PP** Pay Term:
  - Be sure to enter the correct **Due Date** on the **Payments Terms** page.
  - Do not let the date default to the current date.
  - Do not add extra days to the actual due date to allow for processing time.

Remember the voucher must be fully validated and approved in Cardinal before 6:30 p.m. at least **two business** days prior to the scheduled payment due date.

- Once the Voucher is saved, go to the **Payments** tab and verify the date in the **Scheduled Due** field is correct. The **Scheduled Due** date populates upon voucher save. To view it prior to saving the voucher, click the **Scheduled Payments** button.
- While only the Pay Term **30** (Net 30) will utilize the **Goods & Services Receipt Date** and **Invoice Receipt Date** to calculate the scheduled payment date, these fields should be entered accurately for all vouchers in Cardinal to facilitate accurate accrual reporting for the Department of Accounts.
- At this time, payments to state agencies will not be included in prompt payment reports. If your payment to another agency has a specified due date, use **00PP** and the required payment date; otherwise, use **00** as the Pay Term and pay immediately.
- CAPP Topic 20315 (Prompt Payment) covers the process for agencies to request adjustments to late payments where processing errors occurred.



## Accounts Payable Job Aid

### SW AP312 Using Pay Terms

#### CARS to Cardinal Pay Terms Crosswalk

Cardinal Voucher Processes and/or Transaction Codes to Pay Term in Cardinal

CARS Voucher Processes and/or CARS Transaction Code	Pay Term in Cardinal
CARS Transaction Code 334	00
CARS Transaction Code 324 - no date specified by contract	30
CARS Transaction Code 324 – date specified by contract	00PP
CARS Batch Type 2's (example: board member reimbursement)	00
Voucher's with contract terms of monthly due date 16 <sup>th</sup> of every month	00PP
Utility Vouchers	00PP
Payments to Localities with set disbursement schedule (e.g., 16 <sup>th</sup> and end of month)	00PP
Refunds	00
Vouchers subject to Prompt Payment policy 30 days after receipt of goods/services or invoice date	30