



About Using Pay Terms

Per CAPP Manual 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.

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Cardinal Payment Due Date Processing

Every voucher in Cardinal requires a scheduled payment date which is populated based on the selected Pay Term. 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.

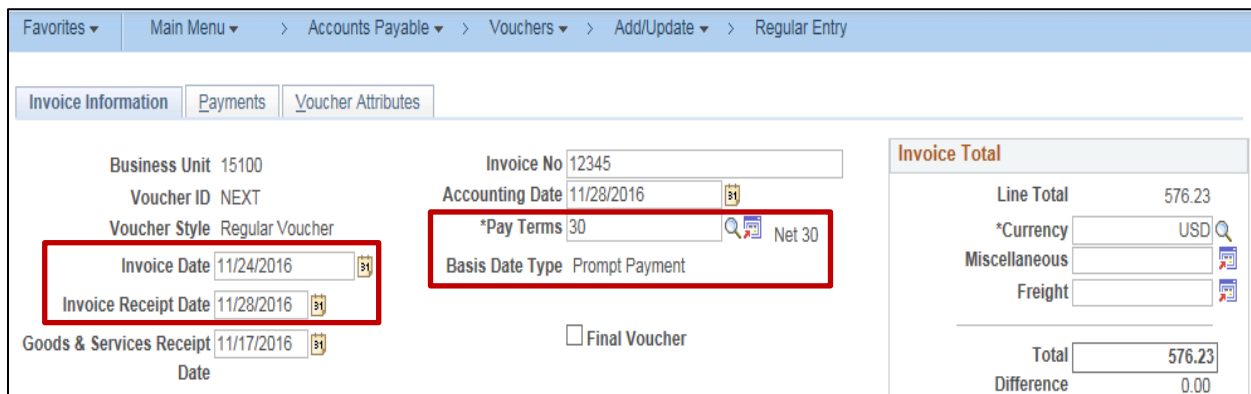
Cardinal Prompt Payment reports and the interface to send prompt payment statistics to Department of Accounts (DOA) include vouchers using Pay Terms 30 and 00PP. The reports and interface automatically omit payments to suppliers classified as State Agencies, Local Governments, or Federal Government.

Entering Pay Terms on a Voucher

Each Pay Term 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.



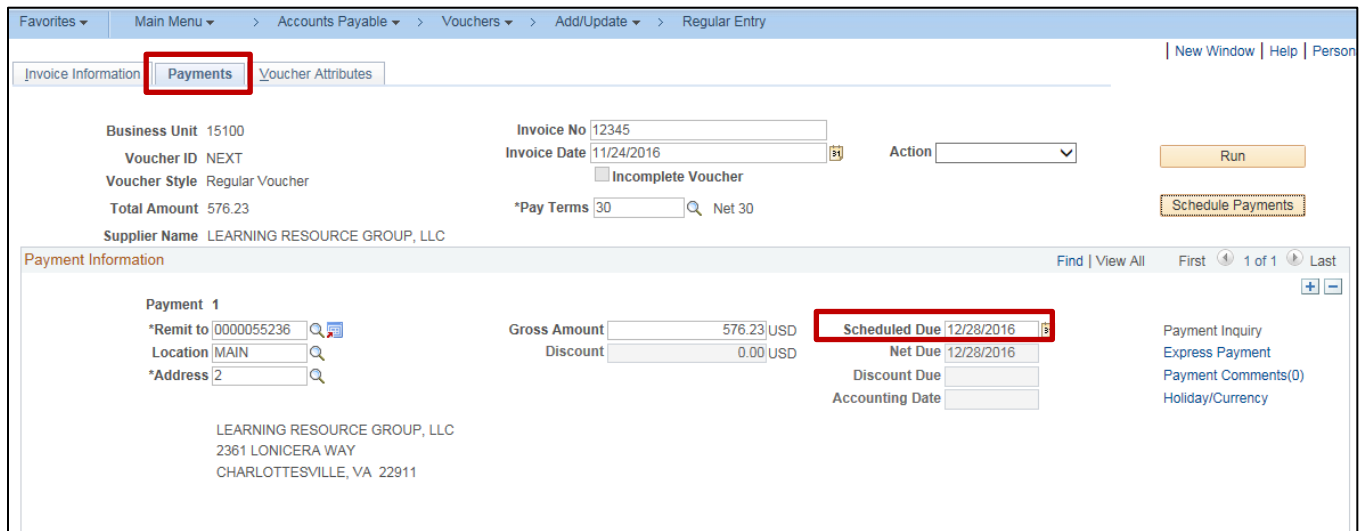
Invoice Information		Invoice Total	
Business Unit	15100	Line Total	576.23
Voucher ID	NEXT	*Currency	USD
Voucher Style	Regular Voucher	Miscellaneous	
Invoice Date	11/24/2016	Freight	
Invoice Receipt Date	11/28/2016	Total	576.23
Goods & Services Receipt Date	11/17/2016	Difference	0.00
Accounting Date	11/28/2016		
*Pay Terms	30		
Basis Date Type	Prompt Payment		

- 1 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.



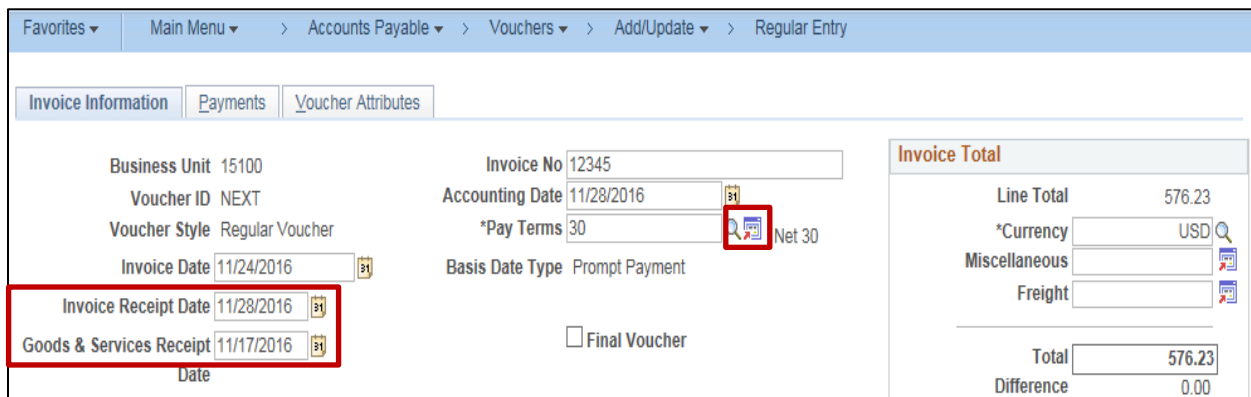
The screenshot shows the 'Payments' tab in the Accounts Payable system. The 'Scheduled Due' date is highlighted in red, showing 12/28/2016. Other fields include Invoice No 12345, Invoice Date 11/24/2016, and Supplier Name LEARNING RESOURCE GROUP, LLC.

- Note that the **Scheduled Due** reflects the calculated due date even if that date is in the past. This ensures accurate prompt pay reporting.

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.

Using Pay Term 00PP – Due Immediately Prompt Pay

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



The screenshot shows the 'Invoice Information' tab. The 'Invoice Receipt Date' (11/28/2016) and 'Goods & Services Receipt Date' (11/17/2016) are highlighted in red. Other fields include Invoice No 12345, Accounting Date 11/28/2016, and Pay Terms 30.

- 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.

- 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

Payment Terms

[Back to Invoice](#)

Business Unit 15100 Invoice Number 12345 VAT Entity
Voucher ID NEXT Supplier 0000055236 LEARNING RESOURCE GROUP, LLC Invoice Date 11/24/2016

*Payment Terms ID 00PP Due Immediately Prompt Pay

*Due Date Control User ▾

Basis Date Type ▾

Basis Date

Discount Due Date

Due Date 12/01/2016

*Discount Amount Control Terms ▾

Account At Gross ▾

- 3 Click the **Payment Terms ID** lookup button.
- 4 Select **00PP**.
- 5 Click the **Due Date Control** drop-down 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

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

Invoice Information **Payments** Voucher Attributes

Business Unit 15100 Invoice No 12345
Voucher ID NEXT Invoice Date 11/24/2016 Action ▾ Run
Voucher Style Regular Voucher Incomplete Voucher
Total Amount 576.23 *Pay Terms 00PP Due Now PP Schedule Payments
Supplier Name LEARNING RESOURCE GROUP, LLC

Payment Information Find | View All First 1 of 1 Last

Payment 1
*Remit to 0000055236 Gross Amount 576.23 USD **Scheduled Due 12/01/2016**
Location MAIN Discount 0.00 USD Net Due 12/01/2016
*Address 2 Discount Due
Accounting Date

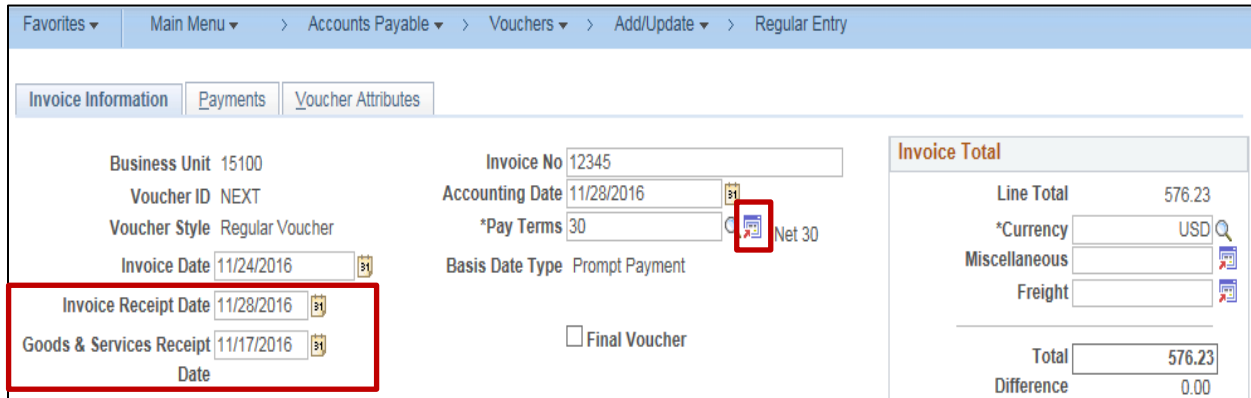
LEARNING RESOURCE GROUP, LLC
2361 LONICERA WAY
CHARLOTTESVILLE, VA 22911

Payment Inquiry
Express Payment
Payment Comments(0)
Holiday/Currency

- 9 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.

Using Pay Term 00 – Due Immediately

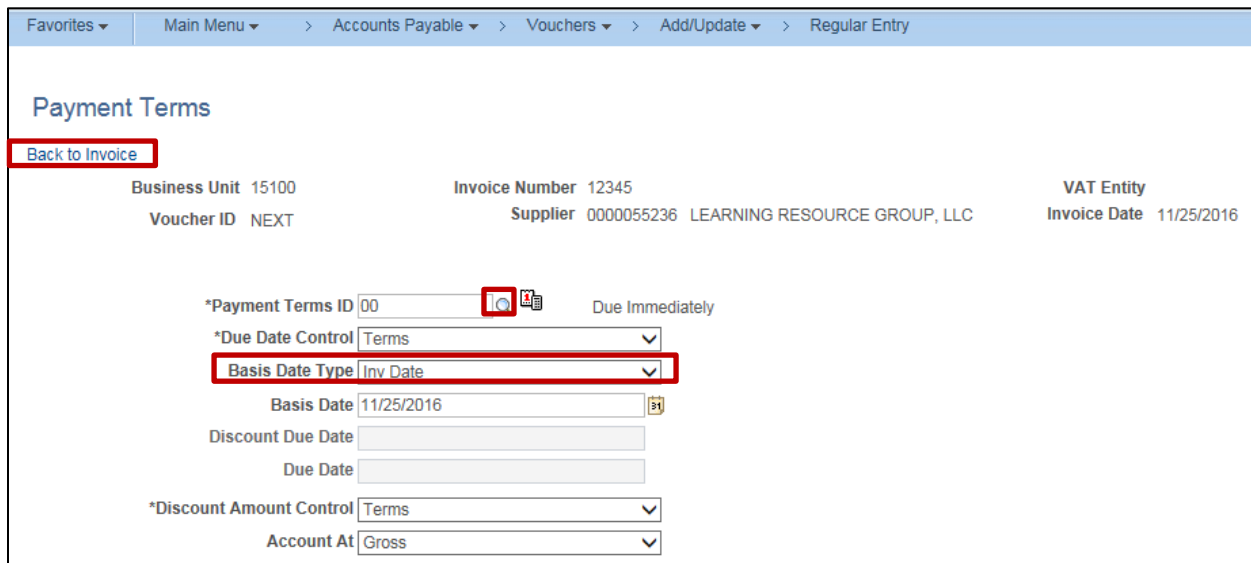
To use **00** Due Immediately as your Pay Term, follow the steps outline below.



- 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.



- 3 Click the **Payment Terms ID** lookup button.
- 4 Select **00 (Due Immediately)**.
- 5 Click the **Basis Date Type** drop-down 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.
- 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

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

Invoice Information | **Payments** | Voucher Attributes

Business Unit 15100 Invoice No 12345
Voucher ID NEXT Invoice Date 11/25/2016 Action ▾ Run
Voucher Style Regular Voucher Incomplete Voucher
Total Amount 576.23 *Pay Terms 00 Due Now Schedule Payments
Supplier Name LEARNING RESOURCE GROUP, LLC

Payment Information Find | View All First 1 of 1 Last

Payment 1
*Remit to 0000055236 Gross Amount 576.23 USD Scheduled Due 11/25/2016
Location MAIN Discount 0.00 USD Net Due 11/25/2016
*Address 2 Payment Inquiry
Express Payment
Payment Comments(0)
Holiday/Currency

LEARNING RESOURCE GROUP, LLC
2361 LONICERA WAY
CHARLOTTESVILLE, VA 22911

- 8 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.

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 03/05/2017

Due date determined by the terms of the contract

PAY TERM	DUE DATE CONTROL	BASIS DATE TYPE	DUE DATE
00PP	User	BLANK	3/05/2017

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) populates 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 supplier	*Yes *Except when using NET30

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 7th 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 7th 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) utilizes 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 are not 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 Manual Topic 20315 (Prompt Payment) covers the process for agencies to request adjustments to late payments where processing errors occurred.



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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 th of every month	00PP
Utility Vouchers	00PP
Payments to Localities with set disbursement schedule (e.g., 16 th and end of month)	00PP
Refunds	00
Vouchers subject to Prompt Payment policy 30 days after receipt of goods / services or invoice date	30