Processing Internal Payment Offsets Overview

The Agency may receive IRS levies, liens, court ordered garnishments, etc. that require part or all of a Supplier's payments to be withheld. Typically, the order also identifies amounts, return dates, etc. Legal notices for levies, liens, and other court ordered offsets should be sent immediately to the Agency's central accounting or fiscal office, where information about the offset (amount, date of receipt, date of return, etc.) is recorded and tracked outside of Cardinal.

Note: Internal Payment Offsets are not related to the Comptroller's Debt Setoff (CDS) or Treasury Offset (TOP) program.

The Supplier's record in Cardinal can be updated so that any existing or subsequent Vouchers for that Supplier are flagged for manual updates. The appropriate amount is offset and paid to the 3rd party identified on the legal order before the Supplier's Vouchers are processed for payment.

Note: Agencies are not required to work with the Commonwealth Vendor Group (CVG) to set up a LEVY location on the Supplier Record. It can be managed outside of Cardinal following Agency policy.

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Revision History

Revision Date	Summary of Changes
3/1/2025	Updated the screenshots of the Search page (Section 5, after Step 1). Added reference information to the Overview of the Cardinal FIN Search Pages Job Aid.

Processing Payment Offsets

Agencies are not required to set up a LEVY location on the Supplier Record when managing payment offsets in Cardinal. They can elect to manage the process outside of Cardinal.

- If the Agency elects to set up a LEVY location, follow the steps outlined below in the Requesting a LEVY Location on the Supplier's Record section of this Job Aid to have the LEVY location set up in Cardinal. Once the LEVY location has been set up, follow the steps in the Updating the Cardinal Voucher section of this Job Aid to process the Voucher
- If the Agency elects to manage the payment offset outside of Cardinal, follow the steps in the Updating the Cardinal Voucher section of this Job Aid

Requesting a LEVY Location on the Supplier Record

The Agency's designated responsible person completes a Vendor Maintenance Request form to update the Supplier Record. This form can be found on the Cardinal website in the **Statewide Toolbox > Forms > Accounts Payable** section**.**

To facilitate the proper payment offset for subsequent payments, a new Location must be added to the Supplier Record. Complete the **Location** section of the form with the new location information. The Location name should be specified as "LEVY XXX" (XXX = Agency Number); the new location is identified as the default location for the Supplier. A location Description is also provided to add meaningful additional information about the offset, such as Agency name, and aids users in understanding the purpose of the location.

Adding a LEVY Location to the Supplier Record

- The Vendor Maintenance Request form is submitted to the Commonwealth Vendor Group (CVG), along with a copy of the offset documentation

- The CVG will run the V_AP_VNDRS_ON_PYMNT_HOLD query which provides a list of Suppliers on Payment Hold for review to determine if a Supplier's payment hold status requires update

- The new location for the Supplier is added

- CVG notifies the Agency resource that the Supplier update is complete

Removing the LEVY Location from the Supplier Record

- Once the offset requirement has been satisfied, the designated Agency resource will complete a Vendor Maintenance Request form with a request to Update Existing Supplier, to remove the payment hold from the lien location and to re-set the default Supplier location

- CVG receives the Vendor Maintenance Request form, updates the Supplier location, and notifies the Agency resource that the supplier update is complete

Updating the Cardinal Voucher

This section of the job aid provides instructions for creating the Voucher for a payment offset, whether the Agency has elected to set up a LEVY location on the Supplier Record or not.

Step	Action
1.	Navigate to the **Voucher** page using the following path: **Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry**
	The **Voucher** page displays with the **Add a New Value** page displayed by default.
ℹ	For more information pertaining to the Cardinal FIN Search pages, refer to the Job Aid titled "Overview of the Cardinal FIN Search Pages". This Job Aid is located on the Cardinal Website in **Job Aids** under **Learning**.
2.	Enter the Supplier ID number in the **Supplier ID** field.
3.	Enter the Invoice number in the **Invoice Number** field.
4.	Enter or select the Invoice Date in the **Invoice Date** field.
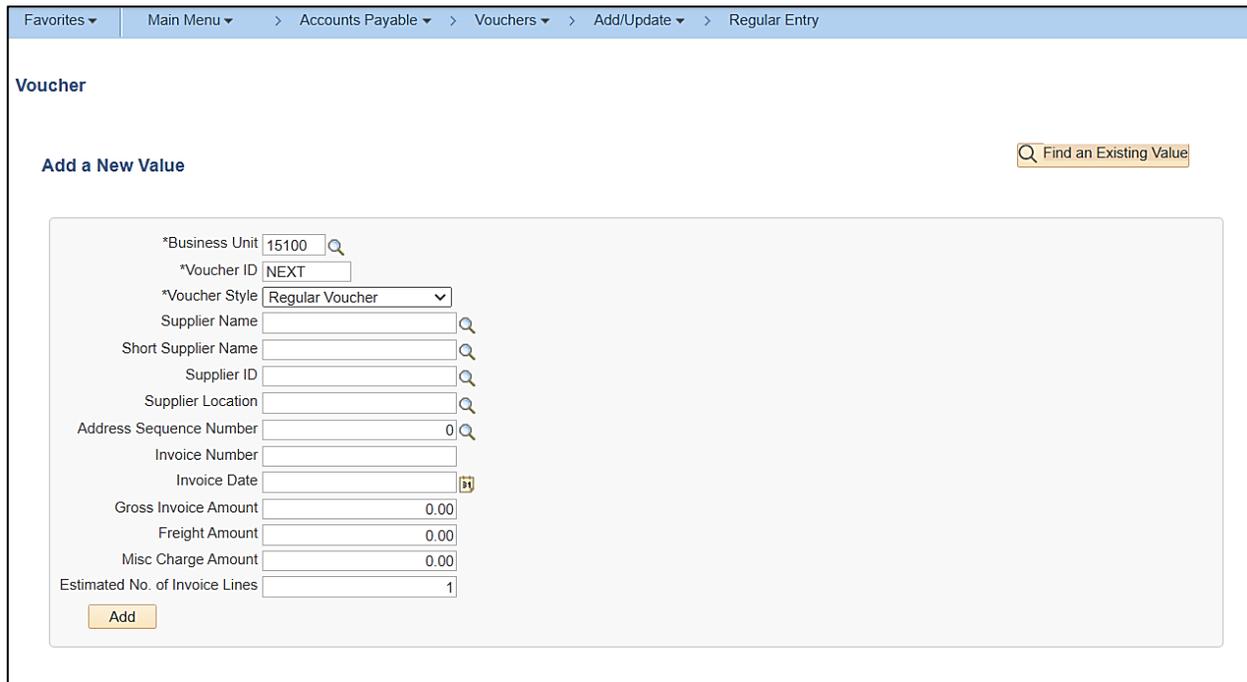
Step	Action
5.	Enter the total Invoice amount in the **Gross Invoice Amount** field. Gross Invoice Amount 0.00
6.	Click the **Add** button. Add

The **Invoice Information** page displays.
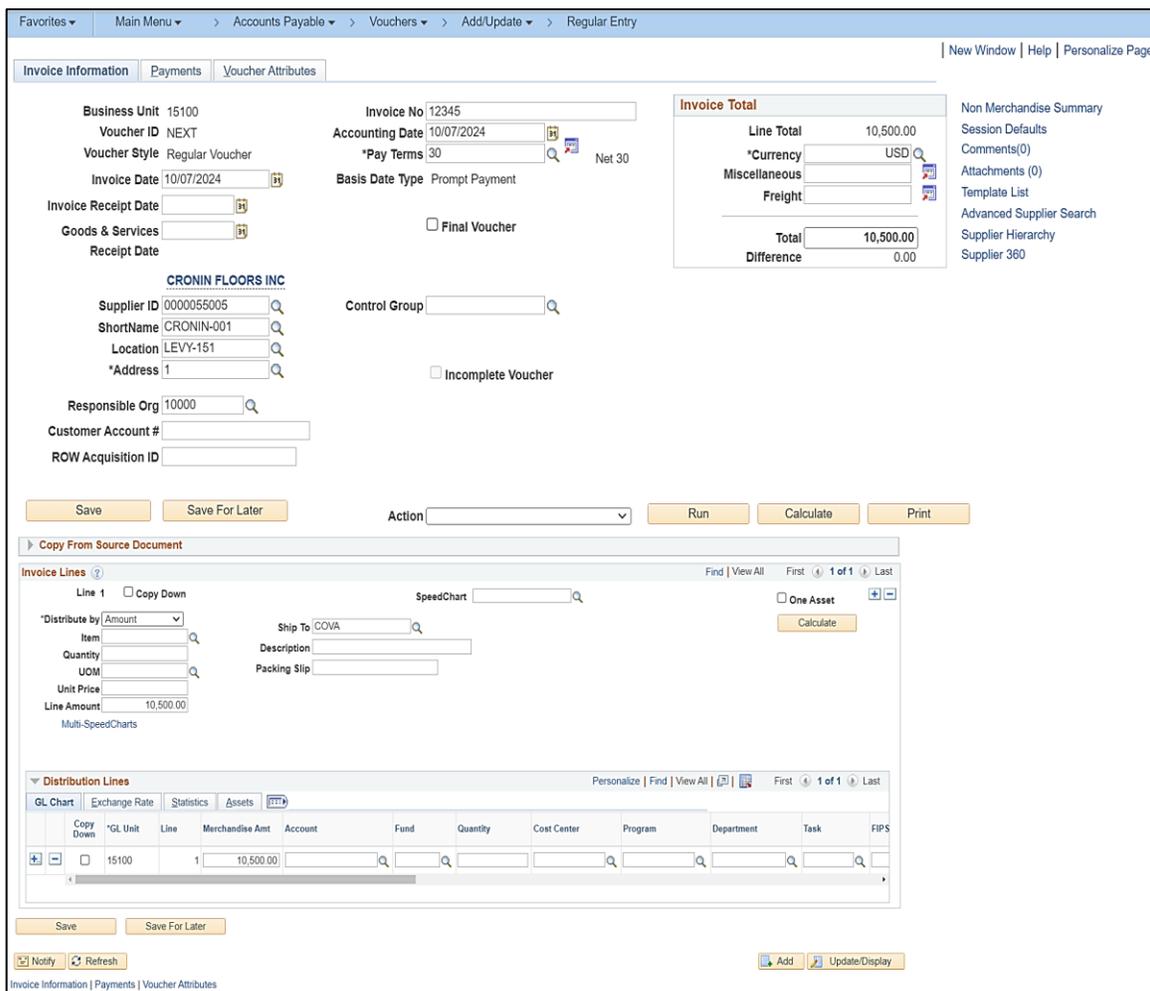
Step	Action
7.	Enter or select the Invoice Receipt date in the **Invoice Receipt Date** field. Invoice Receipt Date

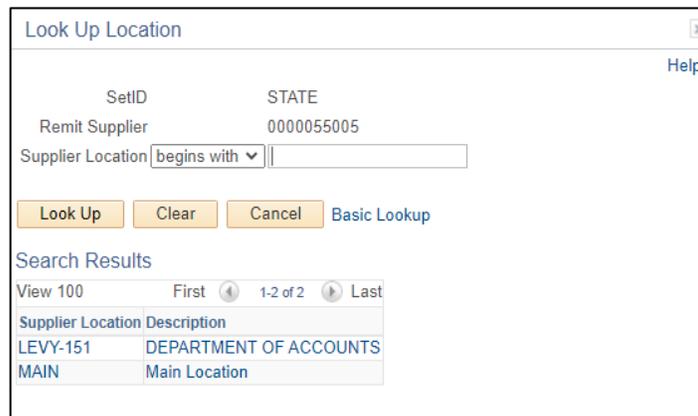| Step	Action
8.	Enter or select the Goods and Services Receipt Date in the **Goods & Services Receipt Date** field.
9.	Enter the charge distribution information in the Invoice Lines using SpeedCharts and/or the **Distribution Lines** section as appropriate.
10.	Click the **Payments** tab.

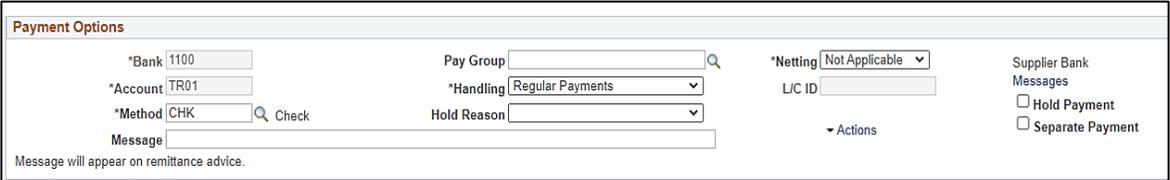| Step	Action
	The **Payments** tab displays.
11.	Select the appropriate location by clicking the **Location Look Up** icon.
ℹ️	If the Agency did not work with CVG to set up a LEVY location, the default location for the Supplier displays in this field. If the location is correct, go to Step 13. If not continue to the next step.
	The **Look Up Location** page displays in a pop-up window.
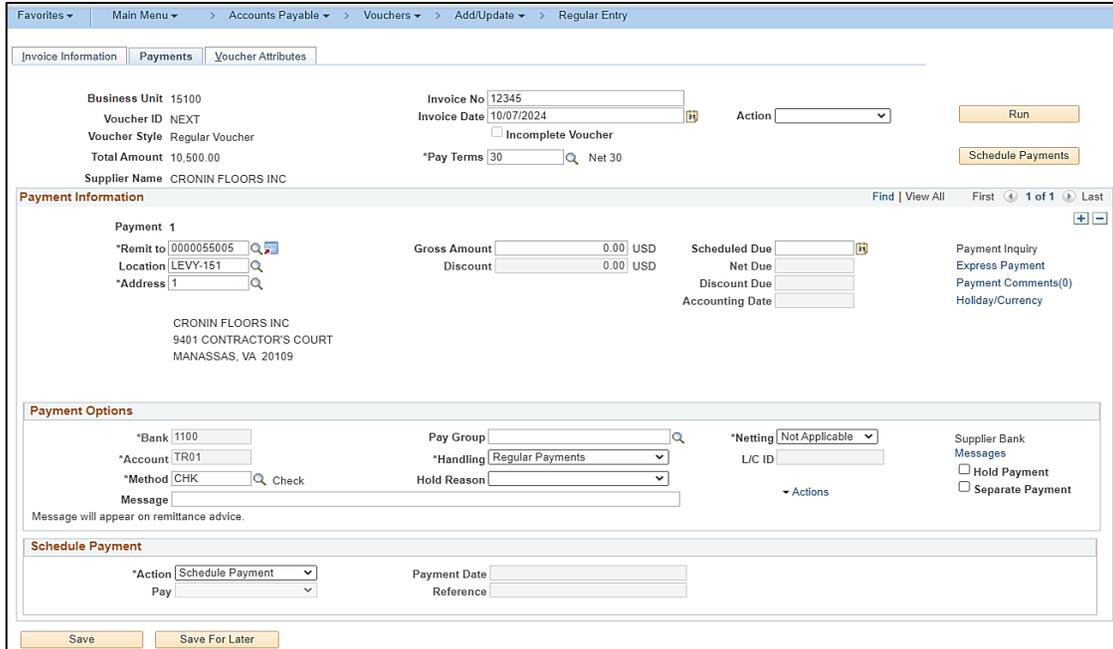
Step	Action
12.	Select the appropriate non-payment hold location for the Supplier by clicking the corresponding link. MAIN Main Location
13.	Enter the amount of the total payment that will be paid to the Supplier in the **Gross Amount** field. Gross Amount 0.00 USD
14.	Update any additional payment information in the **Payment Options** section as applicable. **Payment Options** *Bank 1100 Pay Group *Netting Not Applicable Supplier Bank Messages *Account TR01 *Handling Regular Payments L/C ID ☐ Hold Payment *Method CHK Check Hold Reason ☐ Separate Payment Message ▾ Actions Message will appear on remittance advice.
15.	Click the **Add a New Row** (+) icon in the **Payment Information** section of the page to add a new payment row. ➕ ➖

The **Payment Information** section for the second payment displays.
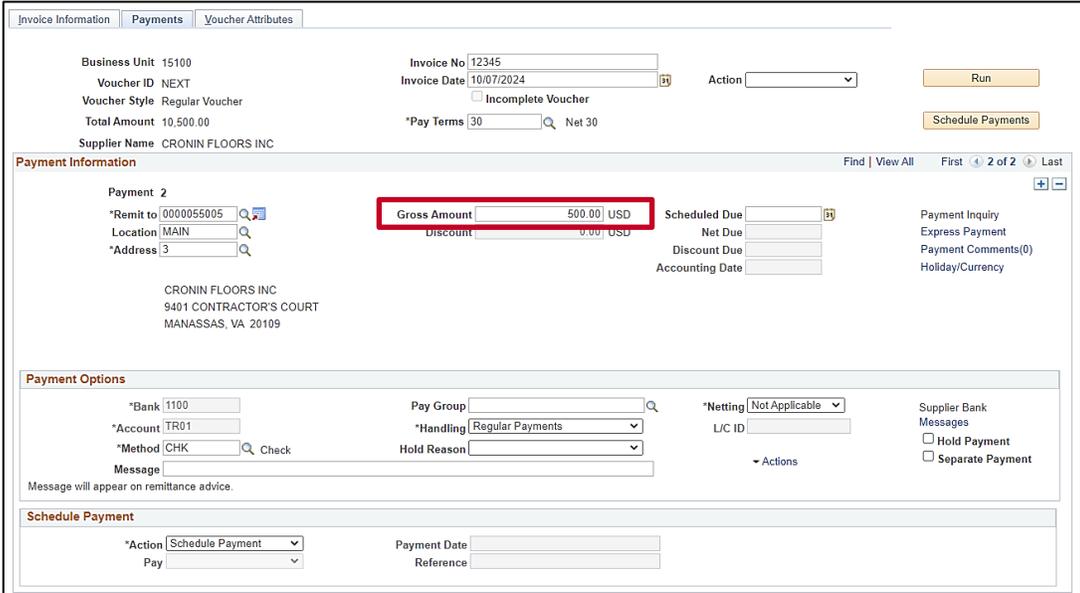
| Invoice Information | Payments | Voucher Attributes |

Business Unit 15100   Invoice No 12345   Action ▾   Run

Voucher ID NEXT   Invoice Date 10/07/2024 🗓

Voucher Style Regular Voucher   ☐ Incomplete Voucher

Total Amount 10,500.00   *Pay Terms 30 🔍 Net 30   Schedule Payments

Supplier Name CRONIN FLOORS INC

Payment Information   Find | View All   First ◄ 2 of 2 ► Last   ➕ ➖

Payment 2

*Remit to 0000055005 🔍📄   Gross Amount 500.00 USD   Scheduled Due   🗓   Payment Inquiry

Location MAIN 🔍   Discount 0.00 USD   Net Due   Express Payment

*Address 3 🔍   Discount Due   Payment Comments(0)

   Accounting Date   Holiday/Currency

CRONIN FLOORS INC
9401 CONTRACTOR'S COURT
MANASSAS, VA 20109

Payment Options

*Bank 1100   Pay Group   *Netting Not Applicable   Supplier Bank Messages

*Account TR01   *Handling Regular Payments   L/C ID   ☐ Hold Payment

*Method CHK 🔍 Check   Hold Reason   ☐ Separate Payment

Message   ▾ Actions

Message will appear on remittance advice.

Schedule Payment

*Action Schedule Payment ▾   Payment Date

Pay ▾   Reference

| ℹ | The remaining amount of the total Invoice displays in the **Gross Amount** field. |

Step	Action
16.	Enter or select the Supplier ID for the third party in the **Remit to** field. *Remit to 0000055005
17.	Review the **Location** field and update if applicable. Location MAIN
18.	Review the **Address** field and update if applicable. *Address 5 INTERNAL REVENUE SERVICE P O BOX 173788 DENVER, CO 80217
19.	Update any additional payment information in the **Payment Options** section as applicable. **Payment Options** *Bank 1100 Pay Group *Netting Not Applicable Supplier Bank Messages Layout *Account TR01 *Handling Regular Payments L/C ID ☐ Hold Payment *Method EFT EFT Hold Reason ▼ Actions ☐ Separate Payment Message Message will appear on remittance advice.
20.	Click the **Save** button. Save Save For Later
ℹ	Provide the payment offset information (i.e., offset amount, payment date, etc.) to the appropriate resource at the Agency for tracking Supplier offsets so that the offset record can be updated. If a LEVY location was set up, follow the instructions in the **Removing the LEVY Location from the Supplier Record** section of this Job Aid when the payment offset has been satisfied.