

**Using Pay Terms Overview**

Per Commonwealth Accounting Policies and Procedures (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

**Table of Contents**

Cardinal Payment Due Date Processing .....	2
Entering Pay Terms on a Voucher .....	3
Using Pay Term 30 – Net 30 .....	3
Using Pay Term 00PP – Due Immediately Prompt Pay .....	5
Using Pay Term 00 – Due Immediately .....	8
PAY TERM SUMMARY .....	11
Utility Bill.....	11
Regular Voucher .....	11
Board Member Reimbursement.....	11
Interfacing Agencies .....	12
Due Date Calculation .....	13
Other Pay Term Clarifications .....	13
CARS to Cardinal Pay Terms Crosswalk .....	14

### **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.

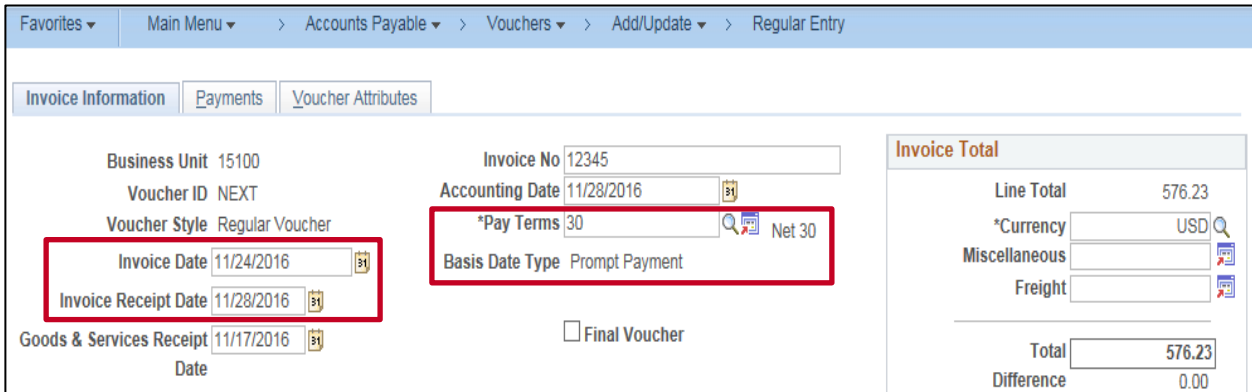
Cardinal Prompt Payment reports and the interface to send prompt payment statistics to Department of Accounts (DOA) include vouchers using Pay Terms 30 and 00PP. The reports and interface automatically omit payments to suppliers classified as State Agencies, Local Governments, or Federal Government.

## 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.



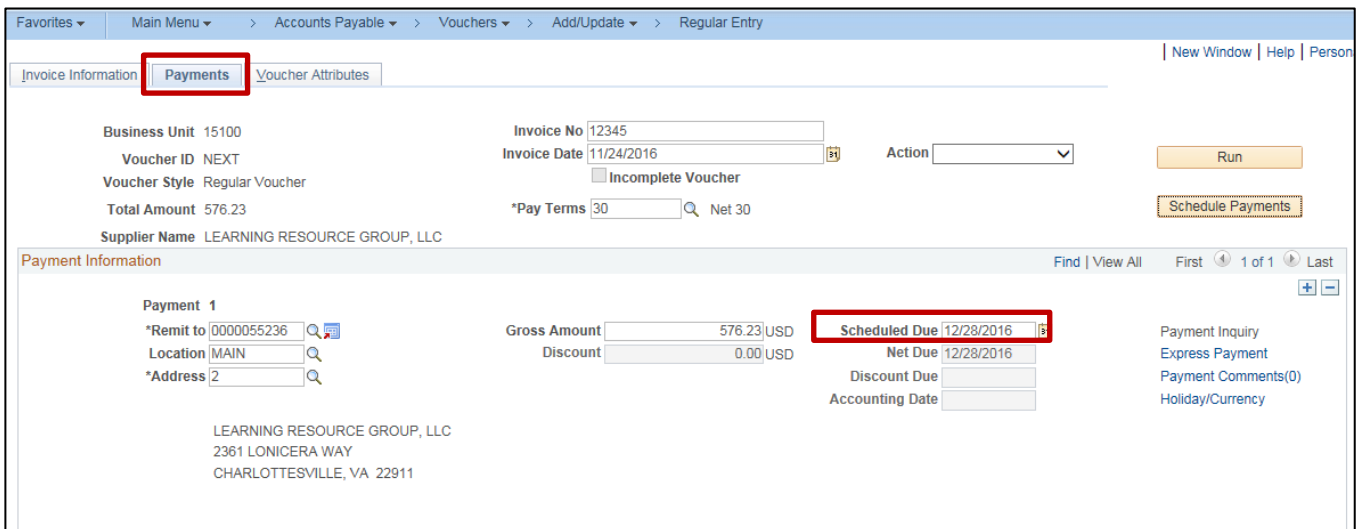
Business Unit 15100		Invoice No 12345	<b>Invoice Total</b>	
Voucher ID NEXT		Accounting Date 11/28/2016	Line Total	576.23
Voucher Style Regular Voucher		*Pay Terms 30	*Currency	USD
Invoice Date 11/24/2016		Basis Date Type Prompt Payment	Miscellaneous	
Invoice Receipt Date 11/28/2016		<input type="checkbox"/> Final Voucher	Freight	
Goods & Services Receipt Date 11/17/2016			Total	576.23
Date			Difference	0.00

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**.

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



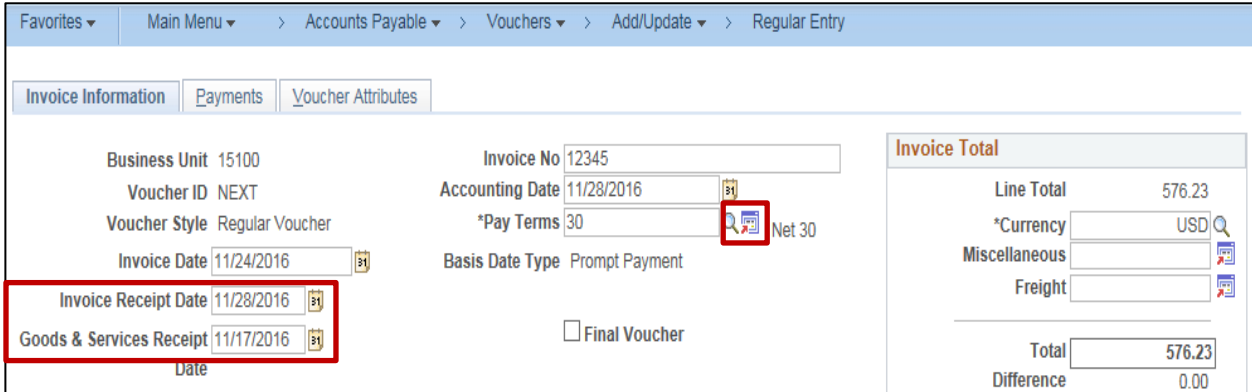
The screenshot shows the 'Payments' tab of the Accounts Payable system. The 'Invoice Information' section includes fields for Business Unit (15100), Invoice No (12345), Invoice Date (11/24/2016), Voucher ID (NEXT), Voucher Style (Regular Voucher), Total Amount (576.23), and Supplier Name (LEARNING RESOURCE GROUP, LLC). The 'Payment Information' section shows Payment 1 with a Gross Amount of 576.23 USD and a Discount of 0.00 USD. The **Scheduled Due** date is 12/28/2016, which is highlighted with a red box. Other fields include Net Due (12/28/2016), Discount Due, and Accounting Date. The supplier address is LEARNING RESOURCE GROUP, LLC, 2361 LONICERA WAY, CHARLOTTESVILLE, VA 22911.

3. 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 'Voucher Attributes' tab of the 'Regular Entry' form. The following fields are visible:

Business Unit	15100	Invoice No	12345
Voucher ID	NEXT	Accounting Date	11/28/2016
Voucher Style	Regular Voucher	*Pay Terms	30 Net 30
Invoice Date	11/24/2016	Basis Date Type	Prompt Payment
Invoice Receipt Date	11/28/2016		
Goods & Services Receipt Date	11/17/2016		
	Date		<input type="checkbox"/> Final Voucher

The 'Invoice Total' section shows:

Line Total	576.23
*Currency	USD
Miscellaneous	
Freight	
Total	576.23
Difference	0.00

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

### 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

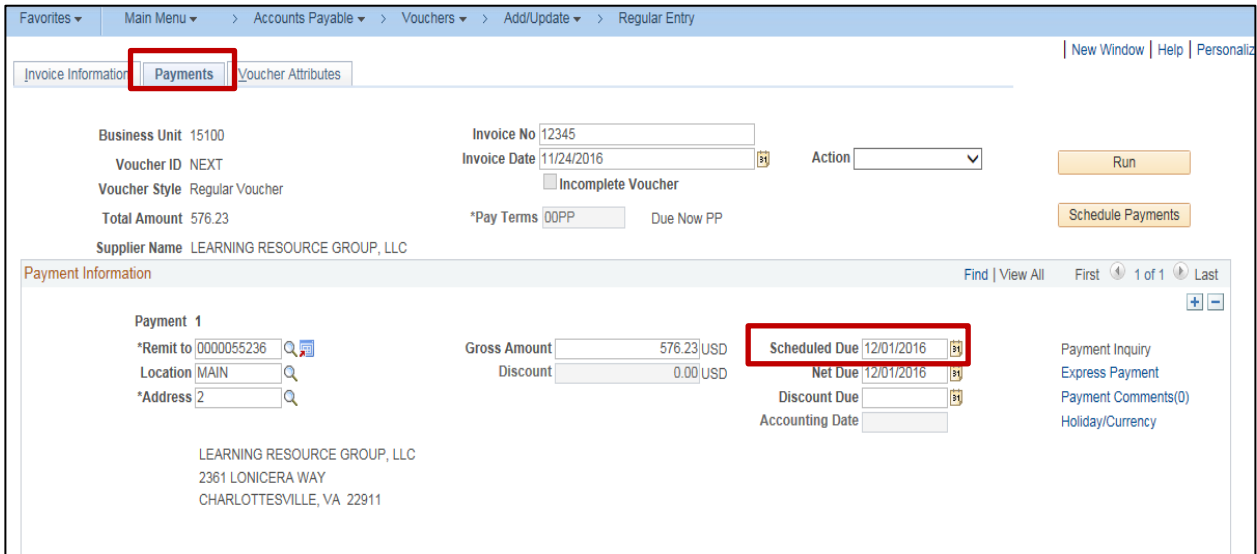
Due Date 12/01/2016

\*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.

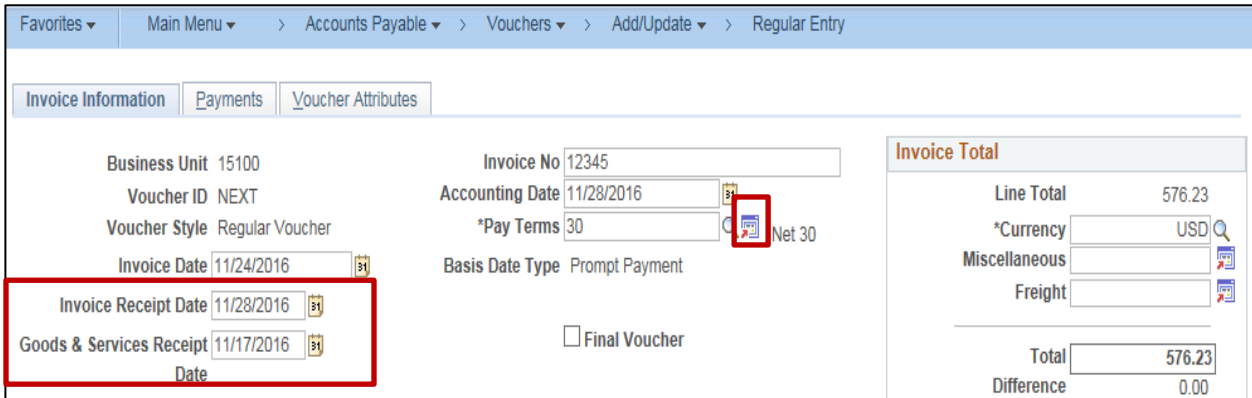


The screenshot displays the 'Payments' tab in the Cardinal Accounts Payable system. The interface includes a navigation menu at the top with 'Accounts Payable' > 'Vouchers' > 'Add/Update' > 'Regular Entry'. The 'Payments' tab is selected and highlighted with a red box. Below the navigation, there are fields for 'Business Unit' (15100), 'Invoice No' (12345), 'Invoice Date' (11/24/2016), and 'Supplier Name' (LEARNING RESOURCE GROUP, LLC). The 'Scheduled Due' date is set to 12/01/2016 and is highlighted with a red box. Other fields include 'Gross Amount' (576.23 USD), 'Discount' (0.00 USD), and 'Net Due' (12/01/2016). The supplier address is listed as LEARNING RESOURCE GROUP, LLC, 2361 LONICERA WAY, CHARLOTTESVILLE, VA 22911.

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.



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 No	12345	Total	576.23
Accounting Date	11/28/2016	Difference	0.00
*Pay Terms	30		
Basis Date Type	Prompt Payment		
Invoice Receipt Date	11/28/2016		
Goods & Services Receipt Date	11/17/2016		

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

### Payment Terms

[Back to Invoice](#)

Business Unit 15100      Invoice Number 12345      VAT Entity  
Voucher ID NEXT      Supplier 0000055236 LEARNING RESOURCE GROUP, LLC      Invoice Date 11/25/2016

\*Payment Terms ID    Due Immediately

\*Due Date Control

**\*Basis Date Type**

Basis Date

Discount Due Date

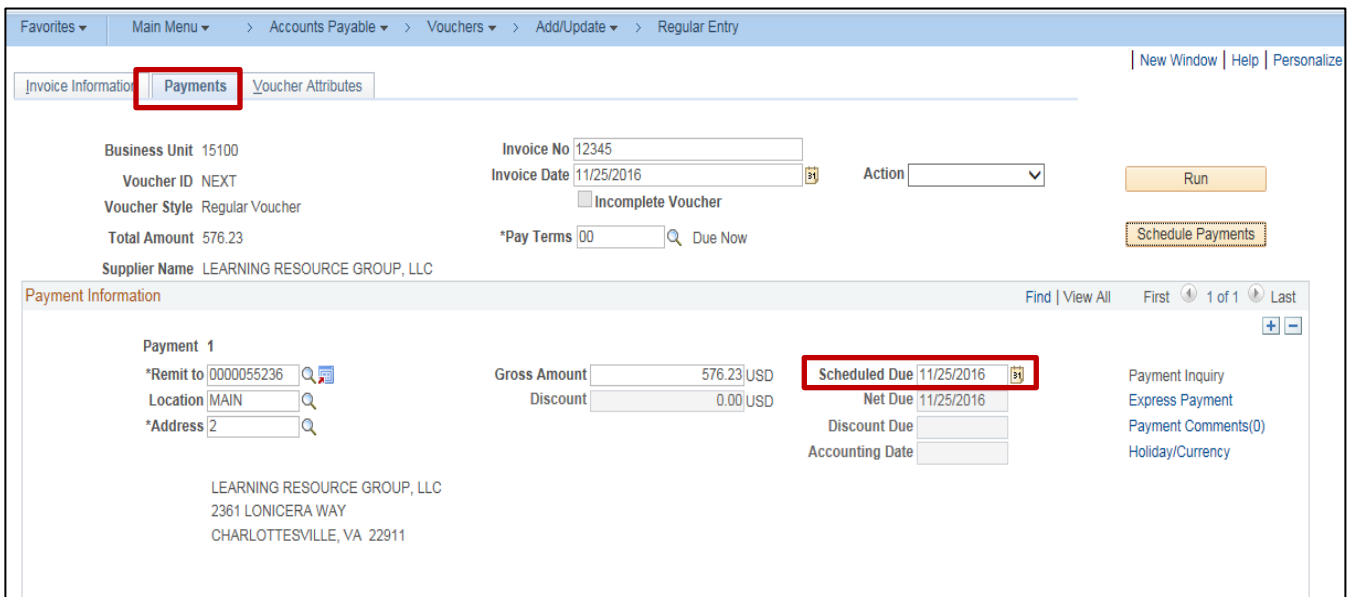
Due Date

\*Discount Amount Control

Account At

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

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



The screenshot shows the 'Payments' tab in the Cardinal Accounts Payable system. The 'Invoice Information' section includes fields for Business Unit (15100), Invoice No (12345), Voucher ID (NEXT), Invoice Date (11/25/2016), Voucher Style (Regular Voucher), Total Amount (576.23), and Supplier Name (LEARNING RESOURCE GROUP, LLC). The 'Payment Information' section shows Payment 1 with a Gross Amount of 576.23 USD and a Discount of 0.00 USD. The **Scheduled Due** date is 11/25/2016, which is highlighted with a red box. Other fields include Net Due (11/25/2016), Discount Due, and Accounting Date. The supplier address is LEARNING RESOURCE GROUP, LLC, 2361 LONICERA WAY, CHARLOTTESVILLE, VA 22911.

9. 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.

<b>DATE FIELD</b>	<b>DESCRIPTION</b>	<b>REQUIRED IN UPLOAD?</b>
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 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) 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.

**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