SWIFT STATEWIDE INTEGRATED
FINANCIAL TOOLS

QUICK REFERENCE GUIDE

February 20, 2024

Update the Sales Tax Settings on a Dispatched 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. Sales and use tax rates are based on the agency's Ship To Location listed on the purchase order.

This quick reference guide provides an overview of sales and use tax in SWIFT. It also lists the steps to update the Tax settings on a dispatched purchase order impacted by a tax change.

Overview of Sales and Use Tax in SWIFT

- 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 (DOR) included in the State's Direct Pay Permit.
- SWIFT defaults the tax setting on the Category field based on the DOR'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.

Ultimate Use Tax Values

Ultimate Use Tax Value	Description of Value
Blank	Ultimate Use Code does not apply to the purchase order line.
Dirpayex	The purchase order line is excluded from the State's Direct Pay Permit. Tax will calculate and display on the purchase order for the supplier to bill the State for the tax.
Exempt	The purchase order line is exempt from tax. No tax will calculate. The Tax Applicability will update to "Item is Exempt."

Tax Applicability Values

This value is based on the Ultimate Use Tax Value.

Tax Applicability Value	Description of Value
Direct Pay	Sales and local tax are calculated in the system. They are not shown on the order document. Using the State's Direct Pay Permit, sales and local tax are paid directly to the DOR. This is the most common setting on taxable goods and services. In general, use this value.
Sales Tax Applicable	Sales and local tax are calculated and shown on the purchase order. They are paid to the supplier. Only items not covered by the State's Direct Pay Permit are applicable. It does not include other taxes such as hotel or telecommunications.
Exempt	No tax is calculated on the purchase order either because the item is not taxable or there are other taxes, such as those for hotel or telecommunications. These are any type of tax other than State and local paid to the supplier. These other taxes can be added as a separate purchase order line or incorporated into the cost of the goods or service.
Purchaser is Exonerated	The purchasing Business Unit (BU) is tax exempt. No tax will be assessed.
Use Tax Applicability	Sales and local taxes are assessed and sent directly to DOR. This is relevant only if the vendor should have charged for sales tax but did not. This code should be used sparingly.

When there is a tax increase, DOR will provide the details of the tax change. Look at the dates, type of purchase, and other requirements from the DOR's announcement. This guide uses this example, which is a sample only.

Starting October 1, 2023, the City of St. Paul will administer a 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. This 1.0 sales tax applies to all retail sales made in St. Paul. This use tax applies to taxable items used in the city if the local sales tax was not paid. For more information, see Local Sales and Use Tax Guide.

Tax increases and decreases impact purchase orders that are in a "Dispatched" status.

- Typically, sales and use tax rate changes apply to sales made on or after the date marked in DOR's Announcement. Purchase orders entered in SWIFT on or after that date will calculate the new tax rates for each county/city. Existing purchase orders need to be adjusted to pay the correct tax if delivery occurs after various dates.
- It is important to review the details of the announcement.

- 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.

Steps to Update the Sales Tax Settings on a Dispatched Purchase Order

Step 1: As an option, use a query to find purchase orders by Ship To

Sales and use tax rates are based on the agency's Ship To Location listed on the lines of a purchase order. As an option, you can run a query in the Query Viewer to find purchase orders lines by Ship To Location.

1. Navigate to the **Query Viewer**. Select the **NavBar** icon. It looks like a compass and is located in the upper-right hand corner of SWIFT.
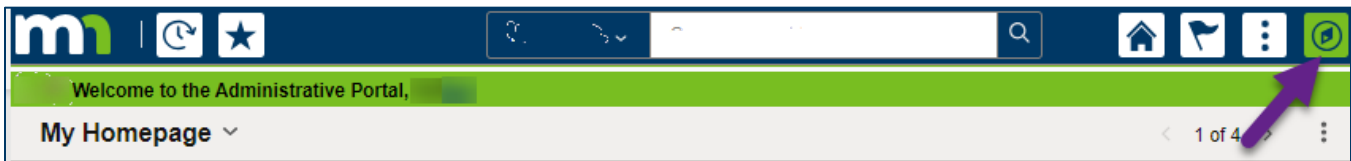
2. Follow the navigation path and select **Query Viewer**.

Navigation Options	Navigation Path
Navigation Collection	Navigator, SWIFT, Reporting Tools, Query, Query Viewer

3. In the Query Viewer, enter this query: **M_PO_GBL_POS_BY_BU_SHIP_TO**. Select **Search**.
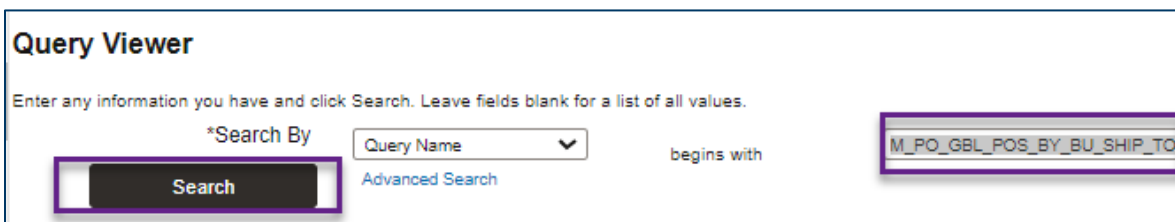
4. SWIFT displays the query in the Search Results. Select **Run to Excel** or **Run to HTML**. If you select Excel, you can use the spreadsheet to sort the data.

5. SWIFT displays the Active POs by Business Unit and Ship query page. Enter the PO ID and Ship To. Then, select **View Results**.

M_PO_GBL_POS_BY_BU_SHIP_TO - Active POs by BU and Ship To

*PO Unit G1001

Ship To G104THFL00

View Results

6. In the spreadsheet you can sort the fields such as by Buyer ID. You can see the lines of the purchase order.

NOTE: The Status must be "D" for dispatched to be impacted by a tax change.

Active POs by	771								
Unit	Origin	PO No.	Status	Hold	Supplier	Location	Buyer	Doc Type	
G1001	514	3000007640	D	N	0000223759	001		BPC	
G1001	514	3000007642	D	N	G020000000	001		DPO	
G1001	514	3000007645	D	N	0000205087	001		BPA	
G1001	514	3000007646	D	N	0000197383	032		KEO	

Step 2: Access an individual purchase order impacted by a tax change in SWIFT

1. Navigate to the Purchase Order page.

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

2. On the Purchase Order page, select the **Find an Existing Value** button.

Purchase Orders

Welcome to the Administrative Portal, Sign Out

Purchase Order

Add a New Value

Find an Existing Value

3. On the **Find an Existing Value** page, enter search items such the PO ID.

Find an Existing Value

⌄ **Search Criteria**

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

⟲ Recent Searches | Choose from recent searches ⌄ | ✏   🔖 Saved Search

*Business Unit | = ⌄ | | G1001 |

PO ID | begins with ⌄ | | 3000007640 |

4. At the bottom of the page, press the **Search** button.
5. Select the desired **PO ID** in the Search Results section.

⌄ **Search Results**

1 rows - Business Unit "G1001" PO ID "3000007640"

Business Unit	PO ID	Origin	Purchase Order Date	PO Status	Short Supplier Name	Supplier ID	Supplier Name
G1001	3000007640	514	07/24/2023	Dispatched	ONE 2 ONE -001	0000223759	ONE 2 ONE MARKETING INC

Step 3. Create a Change Order and update the PO Date on the header of a purchase order impacted by the tax change

1. After you confirm that this is the purchase order to update, select the Change Order icon at the header.

Purchase Order

Business Unit G1001   Origin 514   Management Services   PO Status Dispatched   △ 📝 ✖

PO ID 3000007640

Approval Exception   Budget Status

Valid

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

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3. Save the purchase order.

Step 4. 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 you need to update the Tax Code. 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.

2. 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.

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

	Details for Schedule 1	
Unit G1001	Supplier ONE 2 ONE -001	
PO ID 3000007640	Item	Bluetooth Digital Music System
Line 1		△ ✕
Schedule 1	Status Active	

4. SWIFT displays the Schedules page for that line. Select the **Sched Sales/Use Tax** icon. You may need to scroll to the right of the line.

*PO Qty	Price	Merchandise Amount	Status	Sched Sales/Use Tax	
1.0000	200.00000	200.00	Active	🖉	—

Add   Update/Display

5. SWIFT displays the Sales/Use Tax Information for Schedule page in a separate window. 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 5: Review and update the Tax Code on each line impacted by the tax change

1. 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.

SUT Excptn Cert	1114	
Tax Code	1943 🔍	
Tax Basis Amount	200.00	Rate 7.8750

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**.

b. SWIFT returns you to the Schedules page. Select the **Sched Sales/Use Tax** icon again.

c. In the Sales/Use Tax Information for Schedule page, update the Tax Code field with the original Tax Code. Select OK.

d. 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.

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.