SWIFT STATEWIDE INTEGRATED FINANCIAL TOOLS

QUICK REFERENCE GUIDE

December 19, 2023

Date Definitions and Payment Processing

This guide provides an overview of the State's payment commitments. It describes date definitions including rules in SWIFT. It describes payment processing. Several tables specify required dates for payment processing.

Overview

Minnesota statute 16A.124 requires that state agencies promptly pay their suppliers. Payment should not exceed 30 days. SWIFT determines payment from the date that goods or services were received. Or, SWIFT determines the payment date by the date that the invoice was received, whichever date is later. Payments should not incur interest charges.

Agencies must do their best to schedule payments to meet the invoice or statement due dates. Agencies must pay according to their purchase contract terms. Whenever possible, agencies must take advantage of early payment discounts.

Understanding SWIFT date fields and payment processing is critical to avoid missing valuable discounts and paying on time.

Date Definitions

Accounting Date

The Accounting Date determines the accounting period that SWIFT posts a transaction to the general ledger. Staff should review this date make sure that SWIFT records expenses in the correct accounting period. This is very important at fiscal year end. These expenses need to be in the prior fiscal year.

- The Accounting Date defaults to the current date. You can change it if needed.
- SWIFT updates the Accounting Date based on changes to the Goods/Services Received Date.
- If you copy "Purchase Order Only" into the voucher, SWIFT updates the Goods/Services Received Date and the Accounting Date to the current date. SWIFT limits the Accounting Date to the first date of the open accounting period if the Goods/Services Received Date is older.
- If you copy "PO Receipt" into the voucher, SWIFT update the Goods/Services Received Date and the Accounting Date to the Receipt Date. SWIFT limits the Accounting Date to the first date of the open accounting period if the Receipt Date is older.

Note: the Accounting Date on the Payments tab is different than the Accounting Date on the Invoice Information tab. SWIFT updates the second one when it pays the voucher.

SWIFT STATEWIDE INTEGRATED
FINANCIAL TOOLS

Budget Date

This date determines the budget period the funds will be taken from. Staff should review Budget Date to ensure expenses are recorded in the correct Budget Year. This is very important at fiscal year end or for continuing appropriations.

- The Budget Date defaults to the current date. You can change it if needed.
- SWIFT copies the Budget Dates on the voucher from the Budget Dates on the purchase order during the copy process.
- SWIFT updates the Budget Date with changes to the Goods/Services Received Date for direct vouchers. SWIFT does not automatically update Budget Dates with changes to the Goods/Services Received Date when associated with purchase orders.
- Budget Dates must be less than or equal to the Accounting Date.

Discount Due Date

This is the date the payment is due to the supplier in order to receive a discount. SWIFT will generate the discount based on the Invoice Date and the Pay Terms (including weekends and holidays). For example, an Invoice Date of 3/1/2024 with Pay Terms of "1% 10/N30" will result in a Discount Due Date that is 10 days from the Invoice Date or 3/11/2024.

Goods/Services Received Date

SWIFT uses this date to record the goods and services that were received by the agency. For goods, this is the date the goods were received. For services, this is the end date of the service. The Good/Services Received Date and the Invoice Receipt Date determine the Prompt Pay Date.

- If you create a voucher by using "Purchase Order Only," SWIFT updates the several dates. It updates the Goods/Services Received Date and the Accounting Date to the current date.
- If you use "PO Receipt" to create a voucher, SWIFT updates several dates. It updates the Goods/Services Received Date and the Accounting Date to the Receipt Date.
- The Goods/Services Received Date must be less than or equal to the Accounting Date.

Invoice Date

This is the actual date of the supplier's invoice. SWIFT uses the Invoice Date and Payment Terms to calculate the Net Due Date and the Scheduled Due Date. SWIFT also uses these dates to calculate sales tax. If the tax code associated with the voucher changes on a particular date, SWIFT automatically figures the tax according to the effective date of the change. The Invoice Date must be less than or equal to the Invoice Receipt Date.

Invoice Receipt Date

This date is used to record the date the invoice was physically received by the agency. SWIFT uses the Invoice Receipt Date and the Goods/Services Received Date to determine the Prompt Pay Date.

Net Due Date

This is the date the payment is due to the supplier. SWIFT generates this date based on the Invoice Date and Pay Terms including weekends and holidays. For example, an Invoice Date of 3/1/2024 with Pay Terms of "1% 10/N30" results in a Net Due Date that is 30 days from the Invoice Date or 3/31/2024.

Payment Date

SWIFT automatically completes the Payment Date and the Payment Reference IDs after it processes the voucher for payment.

Prompt Pay Date

SWIFT generates the Prompt Pay Date. This is the date a payment must be made for it to be paid on time. This date is calculated by using the greater of Invoice Receipt Date or Goods and Services Received Date + 30 days.

Service Period Begin Date

For services, this is the date the service began and will be included in the eSettlement invoice. This field is not required.

Scheduled Due Date

The Scheduled Due Date determines when the voucher is processed. SWIFT schedules payments based on the current date, the Discount Date (if applicable), and the Net Due Date. The Scheduled Due Date is determined by:

- Discount Date if discounts are available and the Current Date is not past the Discount Date
- Net Due Date when there are no discounts available or the Discount Date has passed
- Current date if the Net Due Date has passed

Note: In most cases, do not manually override the Scheduled Due Date. Changing it to the current date can result in early payment processing. There may be special circumstances when you need to override this date.

Payment Processing – When are payments made?

Pay Terms and Discounts

SWIFT defaults Pay Terms to "30" days for external suppliers and "000" for inter-agency suppliers. Targeted suppliers' default to Pay Terms of "15." Suppliers that signed up for the US Bank virtual payment program default to "000."

Do not change Pay Terms unless discounts are available. Or, you can change Pay Terms if a payment requires special arrangements. SWIFT processes discounts during payment processing.

SWIFT STATEWIDE INTEGRATED
FINANCIAL TOOLS

Note: Take advantage of discounts by selecting the appropriate Pay Terms from the drop down menu that includes this discount. You can add additional Pay Terms by contacting the SWIFT Help Desk.

Payment Processing

SWIFT processes payments every night except for holidays and weekends. There are three main pay cycles for warrants, Automated Clearing House (ACH), and inter-agency vouchers. View these pay cycles in the tables below. SWIFT may use more time to process financial sanctions or to add taxes. SWIFT processes MN Entertainer Tax, MNDOR Revenue Offset, and Federal Reciprocal programs.

ACH Pay Cycle: Adds one day for ACH suppliers

Nightly Batch Date	Payment Date	Pay Through Date (Scheduled Date)	Settles Vendors Bank
Monday	Tuesday	Wednesday	Wednesday
Tuesday	Wednesday	Thursday	Thursday
Wednesday	Thursday	Friday	Friday
Thursday	Friday	Monday	Monday
Friday	Monday	Tuesday	Tuesday

Daily Pay Cycle Warrants: Adds two days for check suppliers

Nightly Batch Date	Payment Date	Pay Through Date (Scheduled Date)	Warrant Mailed
Monday	Tuesday	Thursday	Tuesday morning
Tuesday	Wednesday	Friday	Wednesday morning
Wednesday	Thursday	Monday	Thursday morning
Thursday	Friday	Tuesday	Friday morning
Friday	Monday	Wednesday	Monday morning

Inter-Agency Pay Cycle

Nightly Batch Date	Payment Date	Pay Through Date (Scheduled Date)	AR Item Closed via Bilateral Netting Process
Monday	Tuesday	Monday	Tuesday
Tuesday	Wednesday	Tuesday	Wednesday
Wednesday	Thursday	Wednesday	Thursday
Thursday	Friday	Thursday	Friday
Friday	Monday	Friday	Monday