

# Hot Sheet



Topic	AFIS Vendor Discount Calculation on ProcureAZ Invoice
<b>Document Types Involved</b>	Bid <input type="checkbox"/> Requisition <input type="checkbox"/> PO <input type="checkbox"/> Receipt <input type="checkbox"/> Invoice <input checked="" type="checkbox"/> Credit Memo <input type="checkbox"/> Report <input type="checkbox"/> Vendor <input type="checkbox"/> User Profile <input type="checkbox"/> Agency Setup <input type="checkbox"/> Other <input type="checkbox"/>
<b>Reason for Publication</b>	<p>ProcureAZ Vendors may identify Payment Terms that provide a discount when an invoice is paid within a specific time related to the invoice date.</p> <ul style="list-style-type: none"> <li>• Vendor payment terms, if any, are passed to AFIS with the ProcureAZ Invoice data.</li> <li>• If the agency identifies a payment date that meets the Vendor Payment Terms, AFIS will calculate the discount amount on that invoice.               <ul style="list-style-type: none"> <li>○ That Discount Amount will <b>not</b> be remitted to the vendor as part of the payment.</li> <li>○ The AFIS discount calculation methodology does not impact the invoice tax amount.</li> </ul> </li> </ul>
<b>Steps Resulting in Scenario</b>	<ol style="list-style-type: none"> <li>1. Agency approves invoice that includes vendor payment terms.</li> <li>2. Agency payment date falls within the vendor payment terms window.</li> <li>3. AFIS calculates the discount amount when generating the disbursements/payments during the nightly cycle.           <ul style="list-style-type: none"> <li>• The discount is calculated based on the pre-tax item amount.</li> <li>• AFIS does NOT recalculate the tax amount</li> <li>• <b>EXAMPLE: 10% discount / 10 days</b> <ul style="list-style-type: none"> <li>○ Invoice total: \$10.83               <ul style="list-style-type: none"> <li>▪ Pre Tax Item Cost: 10.00</li> <li>▪ Tax Amount: 0.83</li> </ul> </li> <li>○ Payment (Post-Discount) total: \$9.83               <ul style="list-style-type: none"> <li>▪ Item Cost: 9.00</li> <li>▪ Tax Amount: 0.83</li> <li>▪ Discount: 1.00</li> </ul> </li> </ul> </li> </ul> </li> </ol>
<b>Recommended Strategy</b>	<p><b>Set Expectations</b></p> <ul style="list-style-type: none"> <li>➤ When taking advantage of vendor discounts, the item cost will be reduced if the invoice is paid within the identified terms.</li> <li>➤ The Agency/AFIS will remit the full tax amount to the vendor.</li> </ul>

Screenshots

### 1) Invoice for a Vendor that offers Payment Terms.

a) Length of time from Invoice Date to Payment Date falls within the Payment terms (10 days)

Invoice #: 156106 Vendor #:000014969 Vendor Group #:01

General | Items | Credits | Subcontractors | Accounts | Routing | Attachments(1) | Notes(1) | Reminder | Change Order | **Summary** | Back to PO

**Header Information**

Invoice Number:	156106	Invoice Status:	4IP - Paid	Invoice Type:	3 way matching
Invoice Description:	ADED16-098787 job 9070	Invoice Date:	07/22/2015	Effect Date:	07/24/2015
Payment Amount:	\$191.69	Handling Code:		Payment Date:	07/24/2015
Payment Terms:	2% 10 Net 30	Payment Term Day:	10	Payment Discount:	2.0%

b) Payment Amount: Items - \$177.00; Tax - 14.69; Total - 191.69

### 2) AFIS Calculation Results – 2% Discount due to Payment within 10 days

a) 2% of 177.00 = \$3.54

b) Payment to Make: 177.00 (invoice Item total) – 3.54 (discount) + 14.69 (original tax) = \$188.15

Pre-Processing Allowed:

Actual Amount: \$191.69

Retainage Amount (-): \$0.00

Discount Amount (-): \$3.54

Penalty/Interest Amount (+): \$0.00

Backup Withholding Amount (-): \$0.00

Contract Withholding Amount (-): \$0.00

Intercept Amount (-): \$0.00

Adjusted Tax from Discount: \$0.00

Use Tax Withheld (-): \$0.00

Default Intercept Fee Amount (-): \$0.00

Supplementary Intercept Fee Amount(-): \$0.00

Payment Amount (=): \$188.15

Outstanding Amount: \$0.00

Closed Amount: \$191.69

Screenshots

### 3) Payment information returned to ProcureAZ

#### a) Invoice marked Paid in ProcureAZ and displays AFIS Disbursement number in Paid-Bank/Check field

Invoice #: 156106 Vendor #:000014969 Vendor Group #:01 Status: 4IP - Paid

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Payment Terms:	2% 10 Net 30	Payment Term Day:	10	Payment Discount:	2.0%
<b>Paid-Bank/Check:</b>	000000217205022 <a href="#">View more</a>	Alternate Id:	PR0000001168		

#### b) Clicking the View More link by the Paid-Bank/Check number will provide the ProcureAZ user with the amount of the Discount.

##### i) Amount Paid: \$188.15; Discount \$3.54

Invoice #: 156106 Vendor #:000014969 Vendor Group #:01 Status: 4IP - Paid

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**Checks for invoice - 156106**

Check Number	Vendor Number	Date Paid	Amount Paid	Discount	Check Status
000000217205022	000014969	07/24/2015	\$188.15	\$3.54	Active