

## Purpose

Vendors who enter into contracts with the State may offer prompt payment discounts, or pay terms, which can result in cost savings for the State. In Core-CT pay terms will carry forward from the contract into vouchers copied from purchase orders or receipts that reference that contract. Core-CT will automatically evaluate the payment terms and deduct the discount from the payment if the payment is generated within the vendor's specified terms.

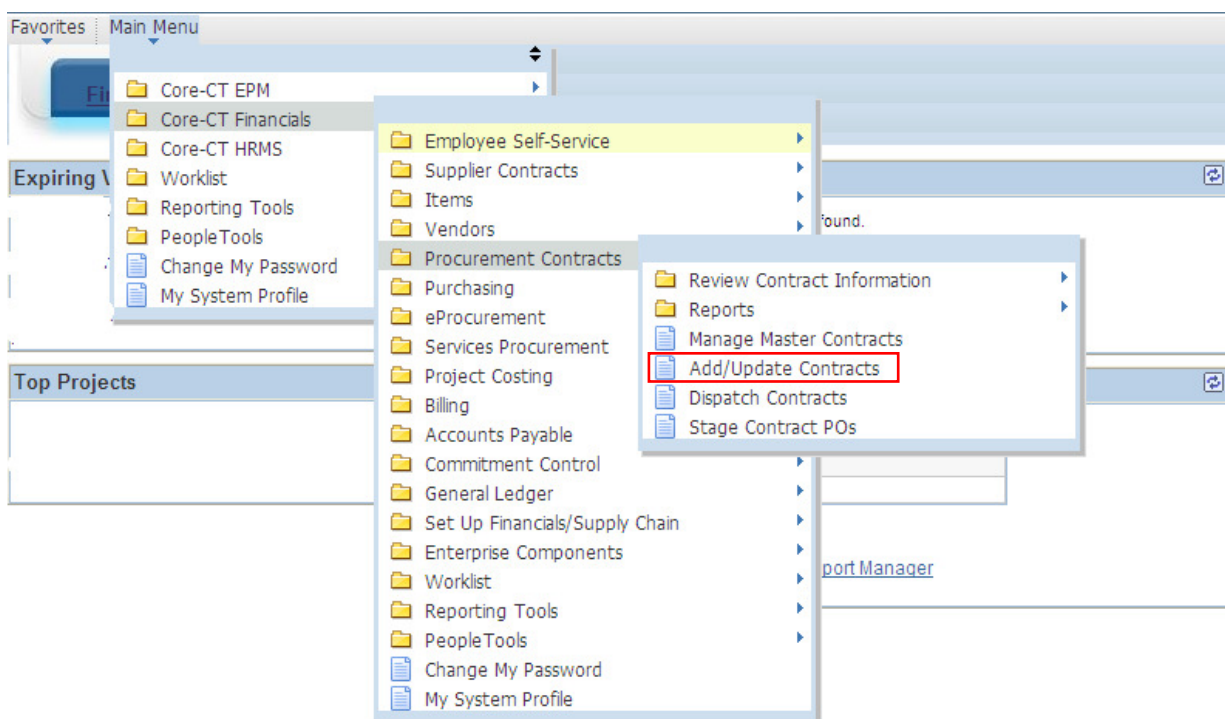
## Procedure

A contract has been entered into between an agency (DOC in this example) and a vendor (Grainger in this example). The vendor is offering prompt payment terms of 10% 15 Net 30. If the payment is made within 15 days, the State will receive the 10% discount. The purchase must be paid in 30 days. No discount will be allowed if the payment is made past the 15<sup>th</sup> day. In Core-CT prompt payment discounts or pay terms are referred to as "Payment Terms ID". In this scenario the Payment Term ID that needs to be entered in the contract is "10153" (The entire list of codes is available using the lookup as shown below).

### Adding Payment Terms to a contract: Special Note:

Full instructions for entering a contract can be found in the job aid entitled "Creating Contracts/Purchase Orders/ePro Requisitions". This job aid pertains to adding payment terms only.

- 1) Navigate to Add/Update Contracts to enter contract header data as required by Core-CT.



## 2) Click on the PO Defaults link under the Order Contract Options:

Contract Entry

Contract

SetID: STATE [Copy From Contract](#) Contract Version: Version: 1 Status: Current

Contract ID: PAYTERMS [New Version](#) Approval Due Date:

\*Status: Open

Administrator/Buyer:

Header

CT Contract Type: BU Award [Add Comments](#) [Activity Log](#)

Process Option: General Contract [Contract Activities](#) [Document Status](#)

Vendor: 361150280F-001 [Vendor Search](#) [Primary Contact Info](#) [Thresholds & Notifications](#)

\*Vendor ID: 0000010008 [GRANINGER INDUSTRIAL SUPPLY](#) [Contract Releases](#)

\*Begin Date: 01/02/2013 [Amount Summary](#)

Expire Date: 01/02/2014

Renewal Date:

Currency: USD [CRRNT](#)

Primary Contact:

Vendor Contract Ref:

Description:

Master Contract ID:

Tax Exempt

Order Contract Options

Allow Multicurrency PO  Allow Open Item Reference  Must Use Contract Rate Date Rate Date: 01/02/2013

Corporate Contract  Adjust Vendor Pricing First  Auto Default

Look Up ChartFields  Price Can Be Changed on Order  \*Dispatch Method:

**PO Defaults** [OPM Reporting](#) [Add Open Item Price Adjustments](#) [Price Adjustment Template](#)

## 3) Click on the Look Up for the Payment Terms ID field and select a value or enter the appropriate Payment Terms ID in the field:

Contract Entry

PO Defaults

SetID: STATE Contract ID: PAYTERMS Version: 1 Vendor ID: 0000010008

Header

\*Business Unit:  [Copy from BU Defaults](#)

Vendor Loc:

Buyer:

Origin:

Currency: USD [CRRNT](#)

Payment Terms ID:

Billing Location:   Tax Exempt

Shipping Information

Ship To:  [Ship To Address](#) AM Business Unit:

Location:   Capitalize

IN Unit:  Profile ID:

Freight Terms:  Cost Type:

Ship Via:  Ultimate Use Code:

Charge By:  Where Performed:

Distributions

*GL Unit	Fund	Dept	SID	Program	Account	ChartField 1	ChartField 2	Bud Ref	PC Bus Unit
STATE									

? Help

## Look Up Payment Terms ID

SetID:  STATE

Payment Terms ID: begins with

Look Up
Clear
Cancel
[Basic Lookup](#)

### Search Results

View 100 First ◀ 1-77 of 77 ▶ Last

Payment Terms ID	Short Description	Description	Payment Terms Type	Terms Applicability
000	Due Now	Due Immediately - No Discount	Single	Vendor
00314	.003/10-45	0.3% Disc In 10 Days Net 45	Single	Vendor
01014	.0010/1045	0.10% in 10 Days Net 45	Single	Vendor
02414	.2451/1045	0.2451%Disc In 10 Days Net 45	Single	Vendor
02504	.0025/1045	0.25% in 10 Days Net 45	Single	Vendor
02513	.0025/1530	0.25% in 15 Days Net 30	Single	Vendor
02514	.0025/1545	0.25% in 15 Days Net 45	Single	Vendor
02914	.002910-45	0.29% Disc. In 10 Days Net 45	Single	Vendor
030	Net 30	Net 30 - No Discount	Single	Vendor
03214	.003217/10	0.3217% Disc In 10 Days Net 45	Single	Vendor
045	Net 45	Net 45 - No Discount	Single	Vendor
05014	.0050/1045	0.5% Disc. In 10 Days Net 45	Single	Vendor
05045	.0050/4545	0.50% Disc. In 45 Days Net 45	Single	Vendor
05D0	.005 0 day	0.5% Disc. Due Immediately	Single	Vendor
060	Net 60	Net 60 - No Discount	Single	Vendor
06053	.006/5-30	0.60% Disc. In 5 Days Net 30	Single	Vendor
06054	.006/5-45	0.60% Disc. In 5 Days Net 45	Single	Vendor
075D0	.75% 0 day	0.75% Disc. Due Immediately	Single	Vendor
10153	10.0/15-30	10.0% Disc. In 15 days Net 30	Single	Vendor
10154	10.0/15-45	10.0% Disc. In 15 days Net 45	Single	Vendor
10D0	10% 0 day	10.0% Disc. Due Immediately	Single	Vendor
12D14	1.2%/10-45	1.2% Disc. In 10 days Net 45	Single	Vendor
15154	1.5%/15-45	1.5% Disc. In 15 days Net 45	Single	Vendor
15D0	15% 0 day	15% Disc. Due Immediately	Single	Vendor
15D15	15.0/15-16	15.0% Disc. In 15 days Net 16	Single	Vendor
1D0	1% 0 day	1.0% Disc. Due Immediately	Single	Vendor
1D074	1.0/7-45	1.0% Disc. In 7days Net 45	Single	Vendor

- 4) The Payment Terms will be displayed in the appropriate field, click OK to return to the main page of the contract.

The screenshot shows the 'Contract Entry' interface for 'PO Defaults'. The 'Payment Terms ID' field is highlighted with a red box and contains the value '10153'. Other fields include Business Unit (DOCM1), Vendor Loc (MAIN), Buyer, Origin (535), Currency (USD), Billing Location (DOCM1ADDR), and Tax Exempt (checked). The 'Shipping Information' section includes Ship To, Location, IN Unit, Freight Terms (FOB DEST), Ship Via, Charge By (Quantity), AM Business Unit, Profile ID, Cost Type, Ultimate Use Code, and Where Performed. The 'Distributions' table is also visible at the bottom.

*GL Unit	Fund	Dept	SID	Program	Account	ChartField 1	ChartField 2	Bud Ref	PC Bus Unit
STATE									

If you do not see the pay term that should be applied to your contract from the available listing, please contact the Core-CT help desk at (860) 622-2300 to log a ticket. Include in your ticket the appropriate pay term that needs to be added to the existing list.

## Conclusion:

Once the contract is approved and saved, it will be available for reference in an e-Procurement requisition(s) or purchase order(s). The payment terms will not be displayed on the purchase order or receipt (if applicable). The Payment Term will be defaulted into the voucher just as entered on the contract.

Only one payment term is allowed in a contract. If no pay term is entered on the contract, the default payment term is DUE NOW (or 000).

Refer to the AP job aid regarding Pay Terms for voucher instructions.