



About Processing Payment Offsets

Your agency may receive IRS levies, liens, court ordered garnishments, etc. that require part or all of a vendor's payments be withheld. Typically the order also identifies amounts, return dates, etc. Legal notices for levies, liens, and other court ordered offsets should be sent immediately to your agency's central accounting or fiscal office, where information about the offset (amount, date of receipt, date of return, etc.) is recorded and tracked outside of Cardinal. **Please Note: Internal Payment Offsets are not related to the Comptroller's Debt Setoff program.**

The vendor's record in Cardinal is then updated so that any existing or subsequent vouchers for that vendor are flagged for manual updates. The appropriate amount is offset and paid to the 3rd party identified on the legal order before the vendor's vouchers are processed for payment.

Update Vendor's Record (CVG):

- 1 A Vendor Maintenance Request form should be completed by the designated agency resource for update to an existing vendor. To facilitate the proper payment offset for subsequent payments, a new new Location must be added to the vendor record. The Vendor Maintenance Request form should specify the new Location information.
- 2 The Location section of the form should be completed with the new location information. **Location** name should be specified as **LEVY XXX** (XXX = agency number); the new location is identified as the default location for the vendor. A location **Description** is also provided to add meaningful additional information about the offset, such as agency name and aids users in understanding the purpose of the location.
- 3 The Vendor Maintenance Request form is submitted to the CVG, along with a copy of the offset documentation.
- 4 CVG receives the Vendor Maintenance Request form.
- 5 The CVG will run the **V_AP_VNDRS_ON_PYMNT_HOLD** query which provides a list of Vendors on Payment Hold for review to determine if a vendor's payment hold status requires update.
- 6 The new location for the vendor is added. The **Additional Payables Options** section is updated:
 - a. The **Hold Payment** box is checked.
 - b. The payment **Handling** option is set to **Specify at This Level**.
 - c. The payment **Handling** code is set to **RR** (Requires Review).
- 7 CVG notifies the agency resource that the vendor update is complete.
- 8 Once the offset requirement has been satisfied, the designated agency resource will complete a Vendor Maintenance Request form with a request to Update Existing Vendor, to remove the payment hold from the lien location and to re-set the default vendor location.
- 9 The Vendor Maintenance Request form is submitted to the CVG, along with a copy of the offset documentation.
- 10 CVG receives the Vendor Maintenance Request form, updates the vendor location, and notifies the agency resource that the vendor update is complete.



Accounts Payable Job Aid

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Update the Cardinal Voucher (Agency Fiscal Office):

- 11 The agency Fiscal Office should run the **V_AP_VNDR_PYMNT_HOLD** query daily, which lists vendors with a location on hold and unpaid vouchers associated to those vendors. The purpose of the query is to alert the Fiscal Office that unpaid internal offset-related voucher(s) exist; the vouchers will not be processed for payment until updated. The agency that owns the vendor offset record will need to adjust both the location and the voucher payment, per steps 12 and 13 below. The agency that does not own the vendor offset record will need to change the location, per step 12a.
- 12 Navigate to **Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry** and manually update any unpaid vouchers related to the vendor with an internal offset payment hold.
 - a. On the **Invoice Information** page, change the **Location** to the appropriate non-payment hold location for the vendor.
 - b. On the **Payments** page, insert a second payment line for the 3rd party remit vendor and remit address.
 - c. Update additional payment information as applicable on each payment line: **Amount**, **Handling**, and **Payment Message**.
- 13 Provide the payment offset information (i.e., offset amount, payment date, etc.), to the person at your agency who is responsible for tracking vendor offsets so that the offset tracking record can be updated.